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# ***Daily Report***

## **East Asia**

FBIS-EAS-88-004  
Thursday  
7 January 1988

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### CONTENTS

7 January 1988

#### NORTHEAST ASIA

G-7 'Secretly' Agree on Yen-Dollar Range .....	1
Secret Clause Denied .....	1
Sanyo To Import TVs Assembled in U.S. ....	2
Oil Imports From Saudi Arabia To Be Cut .....	2
LDP 'Hawks' Demand Action Against N. Korea .....	2
JSP Leader Plans February USSR Visit .....	3
Business Mission To Visit Philippines .....	3
Institutional Investors Asked Not To Sell .....	3
Military To Study Adoption of Rocket Launcher .....	3

#### Mongolia

MONTSAME Reviews Achievements of 1987 .....	4
Ulaanbaatar Plans Development Program .....	5
Dejid Urges Better Livestock Management .....	5
Batmonh, Sodnom Greet Cuba on Liberation Day .....	5
Central Committee Greet Argentine Party .....	5

#### North Korea

Chong Sin-hyok Supports North-South Conference .....	5
Issues Press Statement .....	6
Daily on Easing of Tensions With South .....	8
Paper Sees War Preparations by South .....	8
Paper Comments on Japan's Defense Policy .....	9
Government Trade Delegation Leaves for PRC .....	9
Ministers Meet, Discuss U.S. Trade Relations [TONG-A ILBO] .....	9
U.S 'Reportedly' Demands Larger Export Market [THE KOREA TIMES 7 Jan] .....	10
Stockmen Adopt Resolution on Beef Imports .....	10
Paper Reports on Beef Issue [THE KOREA TIMES 7 Jan] .....	11
Foreign Cigarettes Retail Price To Be Cut [THE KOREA TIMES 7 Jan] .....	12
No, Kim Yong-sam Talks Expected Next Week [THE KOREA HERALD 7 Jan] .....	13
Kim Yong-sam Questioned at News Conference [THE KOREA HERALD 7 Jan] .....	13
Kim Tae-chung Unwilling To Meet With No Tae-u [THE KOREA TIMES 7 Jan] .....	14
Opposition Stance Aids Interparty Talks [THE KOREA TIMES 7 Jan] .....	14
DJP Hints at General Election in Spring [CHUNGANG ILBO 7 Jan] .....	15
PPD on April Election, Small Constituency [THE KOREA HERALD 7 Jan] .....	16
NDRP Confirms 30 Election Candidates [THE KOREA TIMES 7 Jan] .....	16
'Heavy Atmosphere' Infuses RDP Convention [THE KOREA TIMES 7 Jan] .....	16
Diplomacy Toward Communist Powers Discussed [TONG-A ILBO 5 Jan] .....	17

#### SOUTHEAST ASIA

##### Cambodia

Hun Sen Receives WPC Delegation 5 January .....	18
Phnom Penh Meeting Celebrates National Day .....	18
VODK Notes Anniversary of SRV Invasion .....	19
Briefs .....	20
Front Delegation Visits SRV .....	20
Industry Ministry Meeting .....	20
Returnees in Kratie Province .....	20

## Indonesia

Further on Italy's Prime Minister Gorla Visit .....	20
Meets With Suharto .....	20
Suharto Addresses Banquet .....	21
Gorla Holds News Conference .....	21
Mokhtar Meets With Italian Foreign Minister .....	22

## Laos

More Thai Troops Said Sent to Disputed Area .....	23
District Forces Repulse Attack .....	23
Thai Aircraft Reportedly Bomb Boten Area .....	23
Phoumi Vongvichit Receives Thai King's Message .....	23
Greetings Sent to PRK Leaders on National Day .....	23
Editorial Marks PRK's Ninth Anniversary .....	24
Planning Delegation Leaves for Moscow .....	24
Decree on State Import-Export Monopoly .....	25
Council of Ministers Decree on Pricing .....	26

## Philippines

10 Killed in Army-NPA Clash in Ilocos Norte .....	27
Election-Related Violence Continues .....	27
NPA Mounts 'Major' Attack [AFP] .....	27
Death Toll Reaches 38 [AFP] .....	28
Grenade Attack in Makati .....	28
Comelec 'Controls' Olongapo City .....	28
Towns Labeled 'Hot Spots' .....	29
Teachers Fear Poll Duty .....	29
Ileto Not Optimistic About Upcoming Polls [MANILA BULLETIN 6 Jan] .....	29
Aquino To Appoint New PC Chief After Polls .....	29
Aquino 'Firm' on Refusal To Pardon Honasan .....	30
Communist Ad Urges Unity Against U.S. Bases [THE MANILA CHRONICLE 7 Jan] .....	30
Government To Seek Debt Renegotiation [PHILIPPINE DAILY INQUIRER 5 Jan] .....	31
Government, PRC to Sign New Trade Agreement .....	32
'Politics' Delaying Settlement of Sabah Issue [PHILIPPINE DAILY INQUIRER 5 Jan] .....	32

## Thailand

Lao Artillery Movement at Border Reported [THE NATION 7 Jan] .....	32
Envoy Urges Border Cease-Fire [BANGKOK POST 7 Jan] .....	33
Cabinet Approves Demarcation Zone in South .....	34
High Rice Price To Lead to Cancellations [BANGKOK POST 7 Jan] .....	34
Rice Exports Set Record [BANGKOK POST 6 Jan] .....	35

## Vietnam

Cambodian National Day Anniversary Marked .....	35
Leaders Send Greetings .....	35
Hanoi Holds Mass Meeting .....	35
Radio Hails Cambodian Revolution .....	36
PRK's Achievements Noted .....	37
NHAN DAN Carries Editorial .....	37
Assembly Deputy Interviewed on Economic Laws .....	38
Oil, Gas Enterprise Overfulfills Annual Plan .....	40

## Japan

### G-7 'Secretly' Agree on Yen-Dollar Range

OW070039 Tokyo KYODO in English 0012 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODO—Seven major industrial countries have secretly agreed to establish a target zone of 125-140 yen to the dollar through concerted market interventions by their central banks, informed sources said Thursday.

The sources said the agreement was reached during negotiations held by the Group of Seven [G-7]—Japan, the United States, West Germany, Britain, France, Italy, and Canada—late last year concerning a statement which they issued saying exchange rates should be stabilized.

The G-7 countries also agreed to intervene in the currency markets, when necessary, to push up the dollar to the target zone rather than only to prevent wild fluctuations in the foreign exchange rates of their own currencies, according to the sources.

They said such interventions will be conducted not only in the currency markets of the G-7 nations but also in other markets such as Hong Kong, Sydney, and Singapore.

Japan, the U.S., and West Germany will each establish a fund with which to combat any speculative dollar selling, according to the agreement.

The G-7 countries have officially announced that they have no such secret accord on a target zone for currency exchange rates.

### Secret Clause Denied

OW070605 Tokyo KYODO in English 0547 GMT  
7 Jan 88

[By Sei Ogawa]

[Text] Tokyo, Jan. 7 KYODO—A senior Finance Ministry official said Thursday the Group of Seven (G-7) major monetary nations have agreed to try to correct excessive falls in the exchange value of the dollar.

Toyoo Gyohten, vice finance minister for international affairs, said the G-7 statement issued December 23 clearly showed an intention to prevent the dollar falling too far by saying a further decline of the dollar could be "counterproductive" to growth prospects of the world economy.

Gyohten said policy coordination among the G-7 nations—Japan, the U.S., Britain, France, West Germany, Italy and Canada—has become more refined than at the time of the Louvre Accord reached between them last February in Paris.

He said foreign exchange market dealers now recognized the depth of policy coordination among the G-7 nations, and this had led to a sharp recovery in the dollar the last few days.

The G-7 December statement had previously failed to impress market participants and the dollar declined to the lower end of the 120-125 yen level from the year-end to early this year from the 126-130 yen range before Christmas.

Gyohten made the remarks in an interview with KYODO News Service at his office after the dollar recovered its strength to the 128-130 yen level in Tokyo Thursday following a record postwar low of 120.45 yen hit momentarily Monday.

Gyohten denied a newspaper report that said the G-7 nations agreed at the year-end to move up the dollar target range to the high 120-140 yen level from the 140-160 yen level at the time of the Louvre accord.

He said there is no move at present for the G-7 nations to agree on a specific fixed range in the yen-dollar rate.

The market as a whole consistently saw a specific range and that should be respected, Gyohten said. "But the market is not almighty all the time and the monetary authorities have to take a role to normalize its judgment."

He said flexible attitudes are very important so as not to lose sight of an underlying trend in the market.

Denying there are any secret clauses in the G-7 accord, Gyohten said there has been no basic change in market intervention attitudes by the G-7 authorities.

French Economics Minister Edouard Balladur reportedly said the G-7 agreement included secret clauses "relating to the action of central banks on the markets."

Gyohten indicated the G-7 market intervention—in this case buying dollars to push up rates against other major currencies—came from a different understanding of the level compared to that at the time of the Louvre accord.

"There is still uncertainty toward the future," he said, pointing out that the basic question of trade and economic imbalances among the G-7 countries remains unresolved.

Gyohten said stability in exchange rates is important in the context of promoting world economic growth without inflation and correct international imbalances.

Gyohten said there is no meeting scheduled by the G-7 nations before the International Monetary Fund's (IMF) policy-making interim committee meeting to be held in Washington in mid-April.



Gyohten gave high marks to the U.S. federal deficit-cutting package approved by the U.S. Congress last December 22 that enabled the G-7 nations to produce the statement the following day.

It is vital for the White House and Congress to consolidate efforts on cutting the U.S. fiscal deficit as a major policy goal, he said.

#### **Sanyo To Import TVs Assembled in U.S.**

OW070933 Tokyo KYODO in English 0838 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODO—Sanyo Electric Co. said Thursday it will begin importing large color television sets it is assembling in the United States as a way of minimizing the impact of the yen's high value against the dollar.

Sanyo President Satoshi Iue said the company is planning to import from June this year some 5,000-6,000 units of 36-inch color TV sets for sale in the domestic market at around 600,000 yen each.

Sanyo's total sales in the business year ended last November are expected to show a gain of 8.4 percent from a year ago to total 908 billion yen due mainly to brisk domestic sales, Iue told a press conference.

Of the total, domestic sales rose an estimated 35 percent to 576 billion yen, while export sales were down 19 percent to 332 billion yen, he said.

Domestic sales accounted for 63.4 percent of the total sales, up 12.4 points from the previous year, he said.

#### **Oil Imports From Saudi Arabia To Be Cut**

OW070813 Tokyo KYODO in English 0758 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODIO—Five Japanese oil distributors will cut imports of crude oil from Saudi Arabia by 50 percent to a daily total of 50,000 barrels during January, industry sources said Thursday.

The distributors, including Nippon Oil Co. and Cosmo Oil Co., have notified the Saudi Arabian Government of the decision through their import agency, Mitsubishi Corp., the sources said.

Kyodo Oil Co. will also cut its imports of Saudi Arabian crude oil by 40 percent to 36,000 barrels per day, the sources said.

The moves are in response to the Saudi Government's rejection of their proposals to lower crude oil prices, the sources said.

Saudi Arabia is the only country to maintain a fixed pricing system agreed upon by the Organization of Petroleum Exporting Countries (OPEC) amid falling crude oil prices, the sources said.

The distributors are scheduled to hold a meeting in mid-January to determine whether to continue the oil import-cutting measure in February, they added.

#### **LDP 'Hawks' Demand Action Against N. Korea**

OW070627 Tokyo KYODO in English 0621 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODO—Hawkish members of the ruling Liberal Democratic Party called Thursday for punitive action against North Korea for sentencing two Japanese seamen to "15 years of reformation through labor" on espionage charges.

Shizuka Kamei, head of an LDP group of hawkish legislators, called on Prime Minister Noboru Takeshita at the latter's official residence Thursday morning and demanded that some form of punitive action be taken against North Korea.

North Korea's Nampo Municipal Court handed down prison terms on December 24 to Isamu Beniko, captain of the Japanese freezer ship "No. 18 Fujisan Maru", and Yoshio Kuriura, the ship's chief engineer.

The sentencing of the two men, held in North Korea since late 1983, followed the release on November 2 by the Japanese Government of North Korean stowaway Min Hong-ku.

The Japanese Government said Min, a North Korean soldier who had been detained since he was found hiding aboard the "No. 18 Fujisan Maru" in 1983, was freed "provisionally." His whereabouts remain a secret.

Kamei was quoted as telling Premier Takeshita that it was strange the Japanese Government has not done anything in response to the North Korean action.

He reportedly said the government could take punitive steps in such areas as personnel interchanges between Japan and North Korea.

The two nations have no diplomatic relations but exchanges of visits have taken place.

Takeshita merely responded that he fully understood Kamei's thinking.

Kamei also said the government should make sure Japan's sovereignty would not be violated in dealing with the question of the Kokaryo dormitory for Chinese students in Kyoto.

The Osaka High Court last year upheld a lower court ruling that the dormitory belonged to Taiwan. China said the ruling was tantamount to Japan recognizing two Chinas. The Japanese Government maintains it cannot intercede in the court's decision because of the separation of the nation's administrative, legislative and judicial powers.

# **JSP Leader Plans February USSR Visit**

OW070442 Tokyo KYODO in English 0426 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODO—Japan Socialist Party Chairwoman Takako Doi will visit the Soviet Union in late February to meet Soviet leader Mikhail Gorbachev, the JSP said Thursday.

The top opposition party said the Soviet Union told the JSP through the Soviet Embassy in Tokyo Tuesday that Gorbachev could welcome Doi in late February.

The itinerary for Doi's Soviet visit will be fixed next week, the party said.

During the Soviet trip, Doi intends a frank exchange of views with Gorbachev on nuclear disarmament and peace issues, JSP sources said.

Doi had planned to visit the country late last year but journey was postponed due to U.S.-Soviet summit talks held in Washington last month.

Meanwhile, Doi told a party meeting held at the JSP headquarters the same day that the party will stand tough against the government's plan to introduce new indirect taxes this autumn.

Doi said her party will face the government and ruling Liberal Democratic Party on tax reform, a key issue at the regular Diet session resuming later this month following the year end and new year recess.

# **Business Mission To Visit Philippines**

OW071057 Tokyo KYODO in English 0823 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODO—The Japan Chamber of Commerce and Industry (JCCJ) said Thursday Rokuro Ishikawa, its new president, will lead a 50-member business mission to the Philippines in April to explore trade, technological and investment opportunities there.

The mission, which will include senior officials of the Federation of Economic Organizations (Keidanren) and the Japan Association of Corporate Executives, is being sent under an agreement reached in 1986 between former JCCJ President Noboru Gotoh and Philippine President Corazon Aquino, who visited Japan last November, officials said.

They said the mission has been postponed due to the unstable political situation in the Philippines and Gotoh's ill health, but Japanese Prime Minister Noboru Takeshita promised to send the mission when he visited Manila last December to attend a summit meeting of the Association of Southeast Asian Nations.

# **Institutional Investors Asked Not To Sell**

OW070051 Tokyo KYODO in English 0008 GMT  
7 Jan 88

[Text] Tokyo, Jan. 7 KYODO—The Finance Ministry have asked Japanese institutional investors to refrain from selling their stock holdings to cover book-value losses of their assets managed in the form of special money trusts toward the end of the business year on March 31, ministry officials said.

The ministry introduced a new rule on midterm accounting last September that requires institutional investors to value their stocks in special money trust accounts such as "Tokkin" and "trust funds" by either purchase price or market price, whichever is lower.

The rule is expected to prompt institutional investors to sell their stocks holdings toward the march accounting date to cover expected losses assessed by the valuation method when market prices fall below cost price.

The ministry will also urge life insurance companies not to include financial losses of special money trusts in computing their yields on gross assets as part of measures to prevent stock prices from falling, the officials said.

An official of the Banking Bureau of the Finance Ministry said the measure is expected to help keep stock prices from losing ground in a vicious cycle.

Stock prices rallied sharply on the Tokyo stock exchange Wednesday due to the ministry's guidance and also to the yen's sharp fall against the U.S. dollar.

# **Military To Study Adoption of Rocket Launcher**

OW060835 Tokyo NHK General Television Network  
in Japanese 0300 GMT 5 Jan 88

[Text] As the funds for introducing coastal defense missiles have been approved in the budget for the next fiscal year, the Ground Self-Defense Force [GSDF] has firmed up a new plan for introducing the multiple-launch rocket system [MLRS] and has decided to build up further its capability of stopping invading troops at the beach using such long-range advanced equipment. The rocket system under study for adoption is called the MLRS, which is capable of simultaneously launching 12 rockets with a range of over 30 km from a launcher carried on a vehicle. Each of the rocket warheads carries hundreds of small bombs or mines which will be dispersed from the rocket into the air over the target and then rain down on the land. Thus, it has the capability of

launching a concentrated firepower attack. The MLRS, which is currently being developed in the United States, is regarded as a major next-generation weapon for ground firepower using highly advanced technology. A new rocket, with a small guided missile built into the warhead that is capable of opening up a parachute in the air over the target area and of automatically locating and destroying enemy armored vehicles from the air, is also now under development.

According to the GSDF, this multiple-launch rocket will play an important role in attacking troops that have landed and are amassing at the beach. In this connection, as the funds for introducing coastal defense missiles with a range of 150 km have been approved for the first time in the budget for the next fiscal year, the GSDF intends to include the plan for introducing the MLRS in the next mid-term defense buildup program. In this way, the so-called forward crash defense structure, aimed at defeating invading troops on the beach before they reach further inland, can be further strengthened.

### Mongolia

#### **MONTSAME Reviews Achievements of 1987**

*OW052008 Ulaanbaatar MONTSAME in English  
1702 GMT 5 Jan 88*

["Outcomes of the Year of 1987"—MONTSAME headline]

[Text] Ulaanbaatar, 5 January (MONTSAME)—In order to answer the questions with what achievements and mood Mongolian people are welcoming the year of 1988 and what hopes they pin on the new year, let us cite some of its outcomes in socio-economic and political life.

The country's life in the past year was characterized by a tense work rhythm. The MPRP Central Committee's 3rd and 4th plenary meetings set forth concrete tasks of improving production quality and work efficiency in all spheres and raising social and living standards and improving working conditions of herdsmen and enhancing the development of livestock breeding. The solution of these problems is of important socio-economic and political significance for today's Mongolia as the country's further prosperity depends, to a large extent, on the efficiency of utilizing the economic potential, accumulated throughout tens of years, as well as on sharp improvement in production quality. As was put at the 4th Plenum of the MPRP Central Committee, the key branch of the economy "...The livestock breeding finds itself in stagnation". To explain this fact suffice it to say that the number of the livestock population and its productivity do not exceed the 1970 figures, though the material base of the branch has been steadily increasing with every passing year.

The main reason for the slowdown in economic growth rates the country sees in the command methods of the economic management and the extensive character of the economic mechanism formed over the previous years. The statistics also show the decline in economic growth rates. Thus, over the past 15 years (1971-1985) the growth of national income production made 6.0 and 7.6 per cent. And the last year, according to the preliminary data, this figure was 3.5 per cent. Taking into account these and other conditions in its economic policy the party makes the strong emphasis on the switch-over to the intensive methods of development, to the economic methods of management.

So, the year 1987 saw a number of economic experiments directed at expanding the rights of industries, farms and businesses and evoking the interest of work collectives, and individuals in high quality of the work end results and another steps made in this direction are the dissolution of family units in agriculture, the brigade form of labour organization and stimulation in industry, creation of labour associations and cooperative establishments meeting more fully the population's needs in various kinds of service. And the last one is a new planning order to be observed from this year. Nevertheless, the Mongolian people achieved great successes in 1987. As compared with 1986, the industrial output grew by 4.8 per cent. The main agricultural output has been considerably increased against the average annual volume of the previous 7th five-years. The indicators of the retail trade turnover growth, building and assembly works, labour productivity and reduction of material expenditures are quite satisfactory. The social programmes of health protection, education and housing construction have been successfully realized.

The year of 1987 was also full of important events in the country's social life. The highest fora of the Mongolian trade unions, the journalists' union, the association of art workers, the society of industrial rationalizers and other public organizations, held this year, undoubtedly, promoted the growth of the activities of working people. The mass media played an important role in this respect. The country's press published materials dealing with serious situation linked with environment protection and the considerable reduction of camel and horse population over last years. The press widely elucidated new forms of production organization in the branches of the national economy, including the family units in the key branch of the country's economy - livestock breeding.

1987 was the year of the further intensification of the MPR international activities for peace and security in the Asia-Pacific region. The Consultative Meeting of the Communist and Workers' Parties of the Asia-Pacific region, held in Ulaanbaatar at the MPRP initiative, has become a vivid manifestation of Mongolia's striving towards consolidating the efforts of the progressive



forces of the region in the struggle against militarization in this part of the world, and towards developing the relations of good neighbourliness and cooperation among the states.

The Mongolian Revolutionary Youth Union also sponsored a meeting of the youth organizations of Asia and the Pacific. The consultative meeting of the leaders of peace committees of the socialist countries discussed, among others, the question of expanding the contacts and cooperation between the Asia-Pacific peace movements and organizations.

The Mongolian people, like all peoples of the planet, experienced a feeling of great satisfaction with the signing of the Soviet-American treaty on the elimination of the intermediate and shorter-range missiles regarding it as real result of the common struggle for disarmament. They believe that an agreement reached in principle on 50 per cent cut in Soviet and U.S strategic armaments will promote the strengthening of the positive trends emerged in the field of disarmament.

Expressing the sincere feelings of the Mongolian people, the MPR Great People's Hural at its session, held in December, made a statement supporting this historic document and the Soviet consistent peaceloving course.

**Ulaanbaatar Plans Development Program**  
*OW052022 Ulaanbaatar MONTSAME in English*  
1852 GMT 5 Jan 88

[Text] Ulaanbaatar, 5 January (MONTSAME)—“Intensification 90” is the programme set forth by the recent 3rd Session of the Ulaanbaatar City Hural of People's Deputies of 15th Convocation. It is the socio-economic development programme of the Mongolian capital covering the period ending in 1990. The main trends of this programme are maximum utilization of production resources, enhancing of an economic regime, and the steady growth of labour productivity in all work spheres with a main emphasis laid on the economic forms of management.

The year of 1987 will be the decisive in the fulfilment of the planned targets. It is planned to allocate 1.8 billion tugrugs for the construction and socio-economic development of Ulaanbaatar. More than half of all capital investments will be spent for the further strengthening of the material base of communal service branches of the capital.

**Dejid Urges Better Livestock Management**  
*OW070537 Ulaanbaatar International Service*  
in English 0905 GMT 6 Jan 88

[TEXT] Questions of overcoming stagnation in livestock breeding are taken up in an article by Politburo member and Secretary of the MPRP Central Committee Dejid published in the daily UNEN. For the first 2 years of the

current eighth 5-year, that is 1986-87, the rate of agricultural production growth failed to reach the planned level and lagged behind the population growth rate. In 79% of agricultural cooperatives there was a drop in their livestock population. A major reason for the stagnation lies in the outdated methods of management, writes Dejid.

There are (?real) possibilities to significantly increase livestock production, provided the existing material bases and potentials are rightfully utilized. Dejid points to the [words indistinct] changeover to the new methods of economic management by perfecting and [words indistinct] the traditional methods of livestock management with present-day science and technology achievements.

**Batmonh, Sodnom Greet Cuba on Liberation Day**  
*OW022050 Ulaanbaatar International Service*  
in English 0905 GMT 1 Jan 88

[Text] Mongolian leaders Batmonh and Sodnom had greeted Cuban leader Fidel Castro on the liberation day of Cuba, [word indistinct] of the Cuban revolution as the turning point in the destiny of the Cuban people and opened up a new stage in the liberation struggle of the Latin American people, says the congratulatory message.

The Mongolian leaders noted the worthy contribution of Cuba [words indistinct] staving off the nuclear war threat and [words indistinct] peace and security.

[Words indistinct] that friendly relations and cooperation between Mongolia and Cuba will further [word indistinct] for the sake of the unity and cohesion of the socialist countries.

**Central Committee Greets Argentine Party**  
*OW070551 Ulaanbaatar International Service*  
in English 0905 GMT 6 Jan 88

[Text] The MPRP Central Committee has congratulated the Argentine Communist Party Central Committee, one of the militant detachments of the international communist and working class movement, on its 70th foundation anniversary.

The MPRP Central Committee wishes the Argentine Communists fresh successes in the struggle for peace, democracy, and socialism.

**North Korea**

**Chong Sin-hyok Supports North-South Conference**  
*SK070445 Pyongyang KCNA in English*  
0426 GMT 7 Jan 88

[Text] Pyongyang January 7 (KCNA)—I hope that the proposal for the convocation of a North-South joint conference will be realized at an early date in the belief

that this conference will be a historical one reflecting altogether the general will of the whole nation including all the political parties, groupings and personages of South Korea.

Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party, said this in his press statement dated January 6.

He said:

I fully support and welcome the proposal of the respected leader president Kim Il-song for the convocation of a North-South joint conference and other policies and proposals for the improvement of the North-South relations and the DPRK-U.S. relations and for the complete reunification of the country, convinced that they correctly reflect the will of the entire members of the Chondoist Chongu Party.

If the persons in authority, representatives of all the political parties and social organizations and people of all social standings in the North and the South sit together and open-heartedly discuss the pending problems between the two sides, it will doubtlessly open a new phase in promoting national reconciliation and unity and accelerating the reunification of the country.

In his new year address President Kim Il-song clearly manifested the DPRK Government's principled stand toward improvement of the DPRK-U.S. relations which is of weighty significance in fundamentally settling the question of national reunification, he said, and went on:

If the U.S. Administration is truly interested in the question of peace and peaceful reunification on the Korean peninsula, it should not avoid tripartite talks.

The United States is not at all justified in keeping its nuclear weapons and troops in South Korea now that there is no nuclear weapon in the DPRK and the U.S. has concluded a nuclear disarmament treaty with the Soviet Union. Likewise, this runs counter to the trend of the time.

I hold that the United States should take a step to withdraw its forces and nuclear weapons from South Korea and thus show well-favored attitude toward opening a new chapter for the improvement of the DPRK-U.S. relations and, for the present, respond to the DPRK Government's proposal for multinational disarmament talks.

#### **Issues Press Statement**

SK070826 *Pyongyang Domestic Service in Korean*  
2200 GMT 4 Jan 88

[Press statement issued on 4 January by Chong Chun-ki, alternate member of the WPK Central Committee Political Bureau and vice premier of the State Administration Council—read by announcer]

[Text] A new proposal for the peace and peaceful reunification of the country, elucidated by the respected and beloved leader in his New Year's address, is now arousing great sympathy and reaction from the Korean people

at home and abroad and the peace-loving people of the world.

The great leader set forth achieving North-South rapprochement and unity and taking the attitude of eliminating the state of military confrontation between the North and the South and of easing the strained situation as the minimal principled demand for North-South dialogue and the settlement of the problem concerning reunification at present. He clarified the policy of meeting with anyone and holding dialogue for reunification only if this stance is taken. He also put forth a new proposal for convening a North-South joint conference.

I fully support and welcome the new nation-saving proposal elucidated by the great leader in his New Year's address. It is an epochal nation-saving initiative that opens a decisive phase in realizing the reunification of the country in accordance with the three-point principle of independence, peaceful reunification, and great national unity.

The great leader Comrade Kim Il-song has taught: Today, realizing the cause of independent and peaceful national reunification is the most pressing task assigned to the Korean people.

The tragic history of national division, which began in the mid-forties, has not ended, even today near the end of the eighties. This is genuinely unfortunate for the Korean people. For the early elimination of the tragic misfortune of division, which must no longer continue, the entire nation, in the North and South, the main force of national reunification, should make joint efforts for reunification. To this end, it is most necessary for the North and South to take the attitude and stand toward national rapprochement and unity.

The great leader set forth taking the stand of promoting national rapprochement and unity as a principled demand for North-South dialogue and the settlement of the problem concerning reunification. This is a just policy based on a profound elucidation that the question of national reunification is not a question of someone swallowing someone else and his being swallowed by the latter, nor is it a question of one side overpowering and gaining supremacy over the other side. It is a question of realizing national unity. Also, it is grounded on the analysis of the historical experience in North-South dialogue.

To improve the acute North-South relations and realize national reunification, the North and South should take the attitude and stand of trying to reconcile and unite with each other and assume the sincere attitude and position of trying to discontinue the state of military confrontation and ease the strained situation between the North and South. This principled demand delineated by the great leader embodies the idea that the state of military confrontation is a factor causing misunderstanding and distrust between the North and South. It



also embodies the patriotic ideology and thorough peace-loving stand that even if the reunification of the country is not realized at once, fellow countrymen should live peacefully.

Because the respected and beloved leader clarified that only if they assume this principled stance can the North and South do something beneficial to the pace and peaceful reunification of the country hand in hand with each other, an end was put to a history of distrust, antagonism, and confrontation between fellow countrymen; a foundation was laid for promoting grand national unity while transcending differences in ideas, ideologies, and systems; and a road was opened for facilitating the cause of reunification through nationwide unity.

The great leader not only delineated a principle on national rapprochement and unity, but also presented concrete ways for making this year a historic year to provide a new turning point for national reconciliation and unity.

To hold dialogue between the North and South today and improve the relations of antagonism and confrontation at an early date, the large-scale military exercises to attack the other side should be discontinued, the colossal armed forces that are in confrontation should be reduced, the question of ceasing abuses and slanders should be solved, and the problem concerning the 24th Olympic games slated for this year should be settled in conformity with the common interests of the nation. The great leader set the following pending problems to be resolved immediately between the North and South: an end to large-scale military exercises, such as the "Team Spirit" joint military exercise; the holding of multinational disarmament talks; the realization of cohosting the 24th Olympic games; and an end to abuses and slanders. This means indicating ways to achieve national reconciliation and unity at the earliest possible date by removing the basic factor that aggravates North-South relations.

The daggers hidden in breast pockets should be first thrown away so that the piled-up distrust and misunderstanding between the North and South can be removed and reconciliation and unity can be promoted. Measures to show the truth, not with words but with actions, should be taken.

A nationwide forum for dialogue and negotiation should be provided to smoothly solve these immediate problems between the North and South.

In the New Year's address, the great leader proposed that a North-South joint conference be held, attended by representatives of political parties and social organizations and personages from all walks of life, including persons in authority of both sides. This is the most reasonable way to solve problems and is based on a scientific analysis of the nature problems raised and concrete realities in the North and South.

The immediate problems facing the North and South cannot be solved only by talks between the ruling authorities and specific political parties.

The results of the presidential election in South Korea in December was enough to prove that problems could not be solved in accordance with the common will and interests of the nation when a dialogue was held that ignored or excluded an overwhelming majority of forces that objected to the ruling power in South Korea.

Those who strongly demand that North-South dialogue not be made a monopoly of the ruling authorities are presenting themselves as broad forces in South Korea, and the democratic forces and the ruling forces have different views and stands toward the problems related to the peace and peaceful reunification of the country. Under this condition, the work of achieving national reconciliation and unity, which fellow countrymen demand, cannot be carried out fairly through dialogue only between persons in authority or between civilians.

Only when a North-South joint conference is convened, attended by persons in authority of both sides, representatives of political parties and social organizations, and personages from all walks of life, as clarified by the great leader, is it possible to tide over the created difficult situation in accordance with the general will of the entire nation and to pave the road of peace and peaceful reunification in the country through the concerted efforts of the entire nation.

For this reason, I am convinced that the proposal to hold a North-South joint conference advanced by the great leader is, indeed, the most timely and just nation-saving overture to open a new decisive phase in turning the current relations of confrontation between the North and South into relations of reconciliation and in expediting peace and peaceful reunification on the Korean peninsula.

To make the 1988—a new year filled with hope, a year of a historic turning point to realize national reconciliation and unity—all Korean people should turn out as one, upholding the proposal to hold a North-South joint conference elucidated by the great leader Comrade Kim Il-sung joint conference elucidated by the great leader Comrade Kim Il-sung, the sun of the nation and the lodestar of national reunification.

Expecting representatives of political parties and social organizations personages of all walks of life in South Korea to express support for and sympathy with the proposal for a North-South joint conference, I urge the South Korean persons in authority to affirmatively respond at an early date without hesitation to this historic proposal, which carries the lofty intentions of patriotism, if they truly want national reconciliation and unity and peace and peaceful reunification in the country.

**Daily on Easing of Tensions With South**  
*SK071020 Pyongyang KCNA in English*  
1007 GMT 7 Jan 88

[Text] Pyongyang January 7 (KCNA)—NODONG SIN-MUN Thursday carries a signed article titled "Military Confrontation Must Be Discontinued and Tension Eased", which says in part:

The great leader Comrade Kim Il-song said in his new year address for this year:

"Another pressing prerequisite for national reunification is to discontinue military confrontation between the North and the South and to ease the tension."

This policy carries his lofty intention to provide a new turning point for reconciliation and unity, peace and reunification, and save the nation from potential danger of war lingering on the Korean peninsula by removing factors of misunderstanding and distrust between the North and the South.

Discontinuing military confrontation between the North and the South and easing the tension are the minimum requirement of principle for holding talks and settling the reunification question.

Multi-channelled dialogues arranged with so much efforts between the North and the South came to a breakup at a time because the South Korean authorities, together with the United States, staged "Team Spirit" joint military exercise against us, the opposite party to the dialogue, and the suspended dialogue has not yet resumed because armed forces are reinforced and various provocations against us are going on in South Korea.

This gives a lesson that for the fellow countrymen to trust and become reconciled with each other and to settle the reunification question through dialogue, they must first throw away the daggers hidden in their breast pockets.

We declared more than once that we have no intention to invade the South whatever incident may take place in South Korea, and have exerted all our efforts possible for peace on the Korean peninsula.

In spite of our sincere efforts for peace, armed forces are beefed up and all kinds of war rackets against us never cease in South Korea.

If this acute confrontation goes on as today, the distrust between the North and the South will deepen, the military confrontation be further aggravated and this will inevitably lead to the outbreak of another war in Korea.

Even though it is difficult to reunify the country right now, the North and the South must seek a way to a peaceful life, instead of pitting large armies against each other and obtaining a factor that may trigger off a war and bring about national calamities.

The most reasonable way is to adopt a non-aggression declaration between the North and the South whereby to pledge not to invade each other.

The United States and the South Korean authorities should no longer commit such acts as answering our peace policy with war moves and leading the situation on the Korean peninsula to the brink of war but show a positive response to our peaceful and patriotic initiative.

**Paper Sees War Preparations by South**  
*SK070511 Pyongyang KCNA in English*  
0444 GMT 7 Jan 88

[Text] Pyongyang January 7 (KCNA)—NODONG SIN-MUN Thursday comments on the "ceremony for performance of duties" for this year held at South Korean puppet ground, naval and air forces, where brasshats of the puppet army revealed their criminal intention to step up preparations for a war against the North.

In a signed commentary the paper says:

At the ceremony, South Korean war-mongers incited a war fever, asserting that this year would "decide preponderance in North-South confrontation," that somebody's "armed provocation" is anticipated on the threshold of "peaceful change of government" and the Olympic games and that "a firm security posture should be established and perfect combat readiness be maintained."

Their war outcries from the beginning of the year mean that they intend to put spurs to war moves together with U.S. imperialism to lead the situation of the Korean peninsula to a grave stage.

It is absurd that they groundlessly charged us again with "obstruction" of the Olympic games and "armed provocation" while they are pulling the war chariot of their master, U.S. imperialism.

There is no change in our position to settle the Korean question by peaceful means, not by means of war.

From the beginning of the year, we are doing our best to promote national reconciliation and unity between the North and the South, remove the military confrontation and ease the tension.

The puppets needed to raise a hue and cry over fictitious "threat" in a bid to divert elsewhere the attention of the people from the struggle against the military rule in South Korea and to justify the war preparations they are stepping up with U.S. imperialism.

The South Korean puppets must immediately give up the criminal moves to incite North-South confrontation and war and abuse the Olympics for war preparations.

#### **Paper Comments on Japan's Defense Policy**

*SK071008 Pyongyang KCNA in English  
1001 GMT 7 Jan 88*

[Text] Pyongyang January 7 (KCNA)—Japan's military buildup and war preparations pose a grave threat to independence and security of the Asian countries and are contrary to the interests of the Japanese people. This is the topic of a NODONG SINMUN commentary today.

The commentary pays attention to the moves in Japan contrary to the facts that new Japanese Prime Minister Takeshita said at the ASEAN summit conference that "Japan will not become again a major military power" and prattled the same after going back to Tokyo.

The Japanese Government decided to appropriate 29,000 million dollars for military budget in the fiscal 1988, 5.2 percent higher than last year's. The Defence Agency of Japan is planning to build several aircraft carriers in the future. Meanwhile, the Japanese ground "Self-Defence Force" decided to hold the U.S.-Japan joint military training three times from January to February. The U.S.-Japan joint military exercises are growing in scope every year.

Noting that there is no country in Asia that tries to invade or threaten Japan, the author of the commentary says:

If Japan truly wants peace and friendship, why does she step up the military buildup by increasing military spendings at a speed two times as high as that of the NATO member states and stage alarming military rehearsals with the mobilization of large combat units? This is aimed at gaining supremacy over a vast area of Asia and the Pacific by force of arms and reviving the old colonial empire.

The Japanese monopoly capital that has economically infiltrated deep into vast areas of Asia and the Pacific considers it a vital demand to make military inroads for the protection of its concessions.

With no sugar-coated word can the Japanese reactionaries lull down the apprehensions and uneasiness of the Asian people.

The Asian people who had once experienced the Japanese imperialist sanguinary aggression are sharply vigilant against the samurais' sword-clinking.

#### **Government Trade Delegation Leaves for PRC**

*SK071110 Pyongyang KCNA in English  
1031 GMT 7 Jan 88*

[Text] Pyongyang January 7 (KCNA)—A government trade delegation of our country headed by Choe Chang-kun, minister of foreign trade, left here for China today.

The delegation was seen off at Pyongyang railway station by Song Hui-chol, vice-minister of foreign trade, and Wen Yezhan, ambassador to the People's Republic of China to Korea.

#### **North Korea**

#### **Ministers Meet, Discuss U.S. Trade Relations**

*SK071050 Seoul TONG-A ILBO in Korean  
7 Jan 88 p 1*

[Text] Confirming that the degree of U.S. pressure on Korea to open its markets to U.S. goods has been proven stronger and broader than our government had expected in the wake of Deputy Prime Minister Chong In-yong's visit to Washington for trade talks at the outset of the new year, the government called an emergency meeting of ministers concerned on the morning of 7 January to discuss measures that should be taken.

Following the meeting, Deputy Prime Minister Chong first briefed President Chon Tu-hwan on the outcome of his talks with U.S. trade officials and then did the same for President-elect No Tae-u.

Participating in the emergency meeting of ministers concerned, presided over by Deputy Prime Minister Chong, were Foreign Minister C Kwang-su, Finance Minister Sakong Il, Trade and Industry Minister Na Ung-pae, Agriculture and Fisheries Minister Kim Chu-ho, Senior Secretary for Economic Affairs to the Office of the President Pak Yong-chol, and Chairman of the DJP Policy Coordination Committee Kang Kyong-sik.

After hearing Deputy Prime Minister Chong's report on his trade mission to the United States, the emergency meeting of the ministers concerned on 7 January discussed in detail when to lower the price of American cigarettes being sold and how much to cut it. The meeting then discussed the possible decrease in the price of domestic beef, which is expected to follow the beginning of beef imports in the future.

The participants in the emergency meeting on 7 January agreed on the need to take effective new trade measures to keep Korean exporters from going bankrupt following the mobilization of U.S. Trade Act 301 and decided to take supplementary measures, including compensation for possible damage, and put them into practice in order to minimize the damage that will come on the heels of the opening and expanding of domestic markets to U.S. goods.



Finding it necessary to expand the opening of Korean markets to U.S. goods in the future in proportion to the increasing U.S. trade deficit with our country, the government plans to explain to the people the inevitability of expanding the opening of the domestic markets to U.S. goods and to intensify the persuading of them to accept it.

In the meantime, it is reported that the government is mulling ways to take measures to protect domestic stock-breeding farmers from suffering from the import of U.S. beef, including financial aid to pay for damage they may sustain. The government is also reportedly thinking about measures to give financial assistance to leaf tobacco growers who will lose some income as a result of growing consumption of imported U.S. cigarettes in Korea.

**U.S. 'Reportedly' Demands Larger Export Market**  
SK070243 Seoul THE KOREA TIMES in English  
7 Jan 88 p 1

[By KOREA TIMES correspondent Kim So-ung]

[Text] Washington—The United States has demanded that Korea import more U.S. beef, in addition to quality beef for use at tourist hotels, reliable sources said Tuesday.

The United States has also demanded Korea open its market to more than 100 U.S. agricultural products, the sources said.

Unless the Korean government answers the U.S. demand by Jan. 19, the sources said, Washington will take trade reprisals.

The United States gave the deadline as a condition for permitting Korea to postpone its lifting of a ban on U.S. beef imports, the sources said.

The demands were made during trade talks between Deputy Premier Economic Planning Minister Chong In-yong and U.S. Trade Representative Clayton Yeutter in Washington Monday, the sources said.

In the Washington meeting, Yeutter demanded that Korea import U.S. beef not only for tourist hotels but also for general restaurants after the general elections to be held before April, according to the sources.

Yeutter is scheduled to attend the Asia-Pacific Trade Conference slated for Jan. 8-11 in Bali, Indonesia, and to return home on Jan. 19 via Australia. Korean Trade-Industry Minister Na Ung-pae will also attend the conference.

Sources said that Yeutter and Na are expected to have another round of informal meetings there to break through the deadlocked trade talks between the two countries.

The U.S. trade representative was also reported to have demanded that Korea simultaneously lift its import ban on frozen potatoes used by the McDonald's fast-food chain. He also demanded wider access for more than 100 U.S. agricultural products, the sources said.

The sources added that Chong, faced with demands beyond those expected and the Jan. 19 deadline, cancelled his scheduled Tuesday meeting with Treasury Secretary James Baker III and hurried his return home.

The U.S. high-ranking trade official pressed hard on Korea to expand U.S. beef imports, pointing out that the domestic cattle price in Korea has been stabilized for the past two years since it banned beef imports, the sources said.

**Stockmen Adopt Resolution on Beef Imports**  
SK070604 Seoul YONHAP in English  
0549 GMT 7 Jan 88

[Text] Seoul, Jan. 7 (YONHAP)—South Korea's National Livestock Cooperatives Federation Thursday strongly urged the government to refrain from resuming imports of foreign beef.

In a resolution adopted in a rally held in front of the Integrated Government Building in Kwachon on the outskirts of Seoul, 158 branch leaders of the federation said that the resumption of beef imports will threaten domestic livestock farmers' right to a livelihood.

Reckless beef imports in the early 1980s had driven all livestock farmers in the nation to the edge of bankruptcy and caused fatal damage to the rural economy, the resolution said. The government plan to allow imports of livestock products under the pressure of the United States has already caused us uneasiness.

The resolution also called for a continued ban on imports of all kinds of livestock products, including beef for tourist hotels, diversification of import sources of feed grains, overall removal of import (?tariffs on) feed grains, abolition of the value-added tax on assorted feeds, and liberalization of the federation.

South Korea is expected to resume imports of U.S. beef for use at tourist hotels after the parliamentary elections to be held in February or April this year.

Korean Deputy Prime Minister Chong In-yong, who went to Washington on Jan. 2 to prevent retaliatory action by the United States, hinted after a meeting with U.S. trade representative Clayton Yeutter, that Korea will not resume beef imports until after the parliamentary elections.

The U.S. Government has threatened to invoke Section 301 of the U.S. Trade Act in retaliation if Korea fails to immediately accept the U.S. demands for a wider opening of its markets to U.S. goods and services, including livestock products.

Meanwhile, the federation leaders also presented a recommendation to concerned ministries, including the Economic Planning Board and Agriculture, Forestry and Fisheries Ministry, as well as the National Assembly before visiting the ruling Democratic Justice Party headquarters after the rally.

#### **Paper Reports on Beef Issue**

SK070313 Seoul THE KOREA TIMES in English  
7 Jan 88 p 6

[Article by staff reporter Kim Chae-il from the "Focus on U.S., ROK Export Relations" special column: "Trade Negotiations May Spark Anti-Americanism"]

[Text] Ostensibly it seems trifling, but the issue of beef imports has become the singularly most important topic in the deadlocked trade negotiations between Korea and the United States. Why do the two sides stick to the matter of beef imports and doggedly refuse to compromise?

Judging from overseas reports a Korean trade delegation, led by Deputy Premier-Economic Planning Minister Chong In-yong, in a recent meeting with U.S. authorities, was believed to agree to resume beef imports just after the general election slated for February-April period, as a giving in to the growing U.S. pressure.

The Korean government seemingly succeeded in evading the crisis arising from angering farmers by delaying the lifting of the beef import ban until after the election.

Instead, the delegation was reported to concede [as published] on additional beef imports retroactive to January after the resumption of the imports.

Furthermore, in exchange for the import delay, the Korean government reportedly plans to expand the imports of processed foods, including fruit cocktails, fruit juices.

Is it worth delaying the timing of beef imports by several months, sacrificing other matters in terms of the market opening? Yes, for the government. Needless to say, because of the forthcoming election.

On receiving the news on the bilateral trade talks, farmers engaged in the beef industry are poised to be up in arms, planning big-scale protest rallies.

Some 150 leaders affiliated with the National Livestock Cooperatives Federation from across the nation plan to stage a big rally in front of the integrated government office complex in Kwachon to clarify their firm resolution.

On Friday, about 10,000 beef cattle raisers are scheduled to participate in a rally to be sponsored by the Korean Dairy and Beef Farmers Association [KDBFA].

A spokesman for the KDBFA said that the government move to delay the beef imports is a sham just aimed to win the election.

"Compared with the immediate imports, what's the benefits for farmers in case the government permits the imports after the election and on additional imports retroactive to January," he argued.

He went on to say that Korean farmers cannot be sacrificed to well-off American farmers.

Why, on the other hand, has the United States persistently pressured Korea to open the market to U.S. beef for tourist hotel use?

There are 160 tourist hotels nationwide, including 57 in Seoul. And the beef imports this year are expected to amount to between 3,000 tons and 4,000 tons worth \$12 million to 16 million.

An official at the Agriculture, Forestry and Fisheries Ministry said that the United States has caught the issue of beef imports as the Achilles' heel of Korea, most sensitive to politicians.

In fact, the beef exports worth around \$15 million will not be very helpful in reducing the huge trade deficits of the United States, he opined.

"In case the issue of beef imports is solved, the United States presumably expects that everything concerning the market opening will go well," he said.

However, he argued that the United States should take seriously into account the possible spread of the anti-Americanism in rural areas, which is prevalent on university campuses.

According to him, some 3,000-ton beef imports account for only about 2 percent of 152,000 tons of annual domestic consumption. "But what matters is the psychological impact," he said.

Farmers who had experienced the beef price debacle from 1984 to 1986 worry that the United States might increase beef exports to Korea on a gradual basis, breaking down the beef industry in Korea.



An official at the National Agricultural Cooperative Federation said that the beef imports are the "life-or-death" matter for Korean farmers. The imports will play havoc with the rural economy of the country, dwindling sharply the number of cattle raisers.

Some hoteliers said that the beef imports are "inevitable" to supply beef suitable to taste of foreigners especially in the face of the Seoul Summer Olympic Games.

But ministry officials said that the real reason for preferring imported beef at hotels lies in the price matter. Imported beef was reported to be priced half the level of Korean beef.

They went on to say that even though the imports are resumed, the ministry will regulate the consumption of imported beef through administrative control on tourist hotels.

Korean government stopped the beef imports from the latter half of 1985 when the price of beef took a nosedive.

Since the fall of 1985, the United States has pressured Korea to open the beef market. Last year, Uncle Sam threatened Korea to file a suit with the GATT in case Korea went on to close the market.

The Korean government reportedly promised that it will allow resumption of beef imports when the beef price stabilized.

Profitable price level is 1.2 million won per 400-kg head but now it stands at 1.02 million won, ministry officials said.

The country has now some 2 million head of beef cattle, according to him.

**Foreign Cigarettes Retail Price To Be Cut**  
*SK070317 Seoul THE KOREA TIMES in English*  
7 Jan 88 p 6

[Article by staff reporter Choi Won-suk from the "Focus on U.S., ROK Export Relations" special column: "Business Circles Nervously Await Liberalization of Cigarette Market"]

[Text] A chilling wave is moving over the domestic cigarette market as the government readies for the immediate reduction of the retail prices of imported cigarettes and even their advertisement in periodicals.

Deputy Premier-Economic Planning Minister Chong In-yong has assured the United States of the reduction of the retail prices of imported cigarettes and permission for their advertisement in magazines during his visit to Washington.

The retail price cut for foreign cigarettes and the permission for their advertisement means the full liberalization of the local cigarette market.

Many business experts here are showing keen attention over how much the government will cut the retail prices.

Deputy Premier Chong indicated that the price would be lowered from the current 1,300 won per pack to between 80 and 820 won.

The government expects that should the retail price be lowered to the 800 won level, the share of foreign cigarettes on the domestic market will rise as high as 4 to 5 percent from the present less than 0.5 percent.

However, the Korea Monopoly Corporation (KOMOCO), which is solely responsible for the import of foreign cigarettes, is predicting that the share will rise up to 15 percent.

With the inevitability of the government reduction in the retail [price] because of the mounting pressure from the United States, KOMOCO, a state-invested company, has prepared a wide range of steps including development of high quality new brands.

The minimum price for imported cigarettes which the corporation has been contemplating is as low as 750 won per pack, it was learned.

All in all, the reduction will generally deal a severe blow to domestic cultivators of tobacco leaves and sharply decrease the revenue income of the government.

According to statistics available at the Finance Ministry, the 91,000 households across the country which cultivate tobacco leaves earned a total of 210 billion won last year through sales of their tobacco leaves to KOMOCO.

The government considers that if the share of foreign cigarettes on the domestic market increases to 1 percent, each tobacco leaf cultivating household will lose some 10,000 won in income per year.

As a result, the government is mapping out various steps to compensate tobacco leaf farmers for the loss of incomes.

In the meantime, the government annually earns about 1,000 billion won in revenue incomes through sales of cigarettes.

It is generally expected that the government will lose between 50 billion and 60 billion won in revenue income per year in case the retail prices of foreign cigarettes are lowered to between 700 and 800 won per pack and their share of the domestic market rises to 10 percent.

The current 1,300 won retail price of imported cigarettes includes 257 won in custom duties, education and value added taxes, and 640.55 won in sales and defense taxes, and monopoly proceeds.

The sharp increase in the share of foreign cigarettes on the domestic market with the reduction of their retail prices are testified to by the similar cases of Japan and the Republic of China.

Since the retail prices of foreign cigarettes were lowered early last year, their share soared on the Japanese cigarette market to 9.6 percent and on the Taiwanese market to 10.1 percent.

**No, Kim Yong-sam Talks Expected Next Week**  
*SK070237 Seoul THE KOREA HERALD in English*  
7 Jan 88 p 1

[Text] Heads of rival political parties are expected to sit together as early as next week to discuss all major pending political issues, including the forthcoming elections.

President-elect No Tae-u, also president of the ruling Democratic Justice Party, yesterday welcomed Kim Yong-sam's offer Tuesday to meet him, without any conditions, to talk over all matters of contention.

No instructed his party deputies to arrange the talks at an early date, DJP officials said.

Barring any new developments, the first meeting will take place Monday or Tuesday, the officials said.

No is likely to meet the opposition leaders one after another at an interval of one or two days, at their suggestion, they said.

Kim, leader of the opposition Reunification Democratic Party, expressed his willingness to meet No at any time without any precondition during a press conference at Gimpo Airport Tuesday afternoon.

No proposed meeting opposition leaders to discuss all political issues after he won the Dec. 16 presidential election.

The proposal was immediately welcomed by Kim Chong-pil, president of the New Democratic Republican Party.

But Kim Tae-chung, leader of the Party for Peace and Democracy, [PPD] yesterday reaffirmed that he would not meet No before an "atmosphere for dialogue could be established."

Kim said No should fully implement the eight democratic reforms he promised June 29 before proposing to see him.

He claimed the ruling party has failed to put into action three of No's reforms—freedom of the press, amnesty and restorations of civil rights for political prisoners and protection of human rights.

The ruling side has been increasing its oppression of opposition parties, particularly the PPD, since the presidential election, Kim said.

No yesterday said leaders of all political parties need to sit together without delay and frankly discuss all pending problems.

The DJP leader said dialogue will help solve heightened regional animosity and other post-election problems and achieve true national reconciliation.

No also asked his deputies to push for inter-party talks on any topic and format at the earliest possible date.

DJP officials said No is likely to meet Kim Yong-sam first because the RDP is the No 1 opposition party.

If the proposed No-Kim meeting is realized, the DJP officials said, they will discuss all political issues, including Kim's six demands, which include release and restoration of civil rights for all "political prisoners."

Commenting on Kim Tae-chung's rejection of talks with No, DJP Secretary-General Chong Sok-mo yesterday said he will try to meet his PPD counterpart this week to arrange talks.

Chong said the PPD will positively respond to his effort after it reshuffles key party posts this week.

**Kim Yong-sam Questioned at News Conference**  
*SK070211 Seoul THE KOREA HERALD in English*  
7 Jan 88 p 2

["Question and Answer" session between RDP President Kim Yong-sam and reporters shortly after Kim retained his position after vote of confidence]

[Text] Q: Please tell us how you feel about the outcome of the vote.

A: My heart is heavy with a sense of shame and responsibility. I confide to you that I wept for the first time in my political life after my defeat in the presidential election. I agonized partly because of the frustration of my dream to put my political vision into practice and partly because of self-reproach for my failure to realize people's fervent wish for democratization. Now that the party members have over-whelmingly confirmed their trust in me, I will have to endeavor to live up to it.

Q: What was the motive behind the revision of the party constitution?

A: I thought that the RDP should be turned into a party that not only preaches democracy but practices it. So I decided to introduce free elections for vice presidents. Whoever the vice presidents are, I will consult with them on party management.

I must express appreciation for the three former vice presidents (Pak Yong-man, Kim Tong-yong and Choe Hyong-u) who decided not to join the race to give other candidates a chance.

Q: How do you evaluate the 10 percent vote in favor of your resignation?

A: I think there were not too many votes against my resignation. I take the over-whelming show of confidence in me as a strong request that I do my best to terminate military rule by winning in the general elections.

Q: You said in your speech that you would from now on struggle against the government within the Assembly. Does that mean a change in your line?

A: I have consistently been a strong advocate of parliamentary democracy. There is no change in my thought that the Assembly should be the center of all political activity. In addition, I will develop the RDP into a party which can put forward policy alternatives to the government.

Q: What is your plan for the opposition integration?

A: I think the people strongly want to see an integrated opposition. I believe that the outcome of the presidential election clearly showed which party should be the center of the opposition. All opposition parties should unite behind the RDP and I think that is the natural course of history.

Q: Are you planning to seek a parliamentary seat from a regional constituency?

A: I have not yet decided on that matter. As party president, I am in a position to support party candidates. I will seek advice from my aides and friends before reaching a decision.

Q: You said the day before that you are willing to meet with President-elect No Tae-u without attaching any strings to it. Can we take your word for it?

A: The opposition used to put forward preconditions to the ruling camp before reaching a compromise. I am skeptical that that was an effective tactic. I think it more desirable for the opposition to seek dialogue while at the same time demanding something from the ruling camp.

**Kim Tae-chung Unwilling To Meet With No Tae-u**  
SK070131 Seoul THE KOREA TIMES in English  
7 Jan 88 p 2

[Text] Kim Tae-chung said yesterday he does not intend to meet president-elect No Tae-u for the time being.

He acknowledged that the ruling Democratic Justice Party has contacted with the Party for Peace and Democracy [PPD] several times to arrange a meeting of top leaders.

President-elect No must implement his eight-point democratic reform commitments such as the guarantee of press freedom, promotion of labor rights and release of political prisoners before marking a formal offer to meet him, Kim said.

The PPD president complained that his party members are continuously under oppression from the ruling camp at a time when it is publicly offering to meet him and other opposition leaders.

Since the Dec. 16 presidential election, 32 PPD members and six PPD sympathizers were arrested by police.

PPD spokesman An Tong-son said three PPD members and loyalists were killed by unidentified hooligans in the southwestern region. He was referring to three separate homicide cases which took place after the election.

**Opposition Stance Aids Interparty Talks**  
SK070043 Seoul THE KOREA TIMES in English  
7 Jan 88 p 1

[Editorial: "Thaw to Political Freeze"]

[Text] Kim Yong-sam's expression of his intention to meet president-elect No Tae-u has come as another surprising overture in the icy relationship between the ruling and opposition camps. Kim's announcement was followed by an overwhelming vote of confidence at his party's national convention yesterday.

The major opposition party leader's proposal will serve as a breakthrough to the political deadlock that has continued since the presidential election in which the ruling party candidate No earned an impressive victory. It is beyond question that Kim's overture will be welcomed by the rival party which had already requested meetings between the successful presidential candidate and the three Kims, losers in the election.

The opposition leader earlier took the initiative to thaw the political ice with a statement that his party was willing to take part in the forthcoming parliamentary elections, in a step back from his earlier declaration that he would struggle at the risk of his life to topple what he called the military government that had won victory in a totally rigged election that was null and void.



The unsuccessful presidential candidate, thus, has taken a series of quick and appropriate actions to cope with the post-election quagmire. His overtures may be part of a strategic plan to outshine the other opposition forces with the ultimate goal of becoming the majority party or at least the largest opposition group in the new National Assembly.

But even if partisan calculations are involved, the turn-about of the opposition leader from all-out struggle to constructive participation in the Assembly elections accords well with the public desire for "democratic reforms under stability."

The second largest opposition group, the Party for Peace and Democracy [PPD], led by Kim Tae-chung, has the mandate of the people to follow suit, though the party has been slow in coping with reality in the aftermath of the election. The PPD should waste no time in patching up party networks in disarray and entering the parliamentary race in good shape.

Political talks for the coming elections are expected to be held sooner or later in the form of separate or joint meetings between the four major parties. The negotiations will center around the timing of the elections and the size of the constituencies.

Before getting down to face-to-face meetings with the ruling party, the split opposition forces may well adjust their views on these knotty issues, putting aside partisan tactics aimed at gerrymandering, in a spirit of mutual accommodation.

**DJP Hints at General Election in Spring**  
*SK070944 Seoul CHUNGANG ILBO in Korean*  
7 Jan 88 p 1

[Text] The plan to hold the general election sometime during February this year, an idea championed by the DJP, appears to be unrealizable because it is too soon and because it is so strongly opposed by the opposition parties. This being the case, there is a great possibility that the general election will be held toward the end of March or early in April after President-elect No Tae-u is sworn in.

A high-ranking DJP source said on 7 January: At the moment, President-elect No and our party would like to hold the general election in February so that a new president and a new National Assembly can be inaugurated at the same time. However, toward this end, our party will have to shoulder the burden of having the bill for revising the National Assembly Election Law passed by 20 January at the latest, against strong opposition from the opposition parties. As things stand now, unless the No Tae-u-Kim Yong-sam talks, which are expected to be held early next week, and ensuing contacts between leaders of the ruling and opposition parties produce dramatic settlement, the idea of holding the general election in February is hard to realize.

This source also said: For the general election to be held in February, the date will inevitably be in the middle of the month, because the Lunar New Year falls on 18 February and the presidential inauguration is on 25 February. So, the bill for revising the National Assembly Election Law will have to be passed between 15 and 20 February. This is impossible because negotiations between the ruling and opposition parties are dragging on and the opposition parties are against the idea of holding the general election in February.

He continued: Under no circumstances will the DJP try to railroad the passage of the bill for revising the National Assembly law through the National Assembly; instead, it will continue, with maximum patience, its negotiations with the opposition until April, the deadline stipulated by the provisional articles in the newly revised Constitution.

The DJP official also said that not only the election law but also the law governing the Central Election Management Committee will have to be revised in order to institute election management committees in newly created electoral districts. If the opposition parties do not recommend members to man these election management committees, legal problems can arise, including contesting the legality of the composition of election management committees.

The two major opposition parties, the RDP and Party for Peace and Democracy [PPD], which insist on holding the general election in April, now strongly vow to keep the government and ruling party from pushing ahead the idea of holding the general election in February. They are even thinking of acting together to boycott the general election if necessary.

RDP floor leader Kim Hyon-kyu said: The opposition parties are now engaged in reorganizing themselves; and, because the investigation into election fraud during the recent presidential election and the adjustment of electoral districts, one of the issues to be accompanied by the negotiations on the election law, will take time, holding the general election in February is physically impossible. If the DJP presses ahead with its idea of holding the general election in February against such odds, we have no choice but to boycott it.

In this connection, President Kim Yong-sam will convey such a party line to President-elect No Tae-u if the talks between them materialize next week.

Floor leader Kim continued: Although the general election in April is party policy, the idea of holding the general election toward the end of March can be taken into consideration according to the outcome of the negotiations with the ruling party.

Commenting on this issue, PPD President Kim Tae-chung, said: In view of the timing and in view of the fact that prisoners have not been released, had their civil

rights restored, or been given amnesty, the general election in February is unacceptable. I believe that the government and ruling party will go the distance in forcibly pushing ahead with such an idea.

**PPD on April Election, Small Constituency**  
*SK070207 Seoul THE KOREA HERALD in English*  
7 Jan 88 p 2

[Text] The opposition Party for Peace and Democracy [PPD] yesterday confirmed that it favors an election in April and a small constituency system under which one lawmaker is elected from each electoral district.

The confirmation came in a meeting of leading PPD officials, which was presided over by party president Kim Tae-chung.

The ruling Democratic Justice Party wants a February election and a mixed electoral district in which one to four lawmakers are elected from each constituency according to population size.

PPD spokesman Rep. An Tong-sun said the party will complete recruitment of prominent dissident figures by the end of this week to beef up its structure in preparation for the parliamentary election expected between February and April.

The PPD is contacting leading dissidents who are participating in an effort to form a new political party, the spokesman said.

Referring to President-elect No Tae-u's Dec. 18 proposal for separate talks with the leaders of the three major opposition parties, the spokesman said that a meeting between No and Kim Tae-chung would be realized only when No's democratic reform proposal of last June is achieved.

Kim Yong-sam, president of the larger opposition Reunification Democratic Party, Tuesday virtually accepted No's offer for separate talks with the opposition party leaders.

**NDRP Confirms 30 Election Candidates**  
*SK070147 Seoul THE KOREA TIMES in English*  
7 Jan 88 p 2

[Text] The New Democratic Republican Party [NDRP] yesterday confirmed the party nomination of 30 parliamentary hopefuls in the upcoming general elections, irrespective of the election timing and the electoral constituency system which are up for partisan negotiations.

Rep. Kim Yong-chae, chairman of the party's ad hoc committee on strengthening the party organization, said, "As February elections are in the bag, we will endorse candidates for 30 districts where there is no intraparty contest."

Rep. Kim went on that nominations in other districts will be made when the party completes screening figures from outside the party.

Party sources say that former Central Intelligence Agency chief Yi Hu-rak is certain to run in his hometown constituency of Ulsan City while former Seoul mayor Ku Cha-chun is "recommended" to run in the district of Kangnam in Seoul instead of Taegu.

Among the 30 confirmed candidates are incumbent lawmakers Kim Yong-chae, Kang Kyong-sik, Sin Chol-kyon and Choe Chae-ku, TV actor Pak Pyong-ho, former lawmakers Yi In-kon, Yi Pyong-hui and Han Pyong-ki and former cabinet members Choe Kak-kyu and Kim Yong-hwan.

**'Heavy Atmosphere' Infuses RDP Convention**  
*SK070217 Seoul THE KOREA TIMES in English*  
7 Jan 88 p 2

[Text] An extra national convention of the opposition Reunification Democratic Party was filled with a heavy atmosphere throughout the eight-hour proceedings.

Though 90.6 percent of the 913 delegates gave him a renewed support in a vote of confidence, party president Kim Yong-sam still looked serious.

Banners calling for the opposition unity in the face of the parliamentary elections and renewed determination to the opposition struggle were hung in the convention hall of the annex building of Sejong Cultural Center.

The convention started at 9:15 presided over by spokesman Kim Tae-yong. On the platform, standing party advisor Chong Sung-hwa was seated along with the convention chairman and his two assistants.

Convention chairman Hwang Myong-su, initiating the top agenda of a vote of confidence, reported that the voting will be conducted without prior debate.

Hwang repeatedly reminded that those who want to retain party president Kim should not write down "Yes" on a balloting paper because it means acceptance of Kim's offer of his resignation.

It took about two hours for the delegates to cast their ballots, one by one, after being called on by an official.

Party leader Kim was staying at his home in Sangdo-dong while voting was going on, as a gesture not to influence the free choice of the delegates.

As it turned out that Kim's offer of resignation was rejected by the delegates, secretary general Pak Chong-yol relayed the outcome to Kim immediately.



When convention chairman officials announced "the voting down of the resignation of party president Kim," the party members applauded, chanting "Kim Yong-sam, Kim Yong-sam." About 20 minutes later, the party leader showed up at the convention site. He was given bouquets which he waved on the platform, creating the familiar scenes during the presidential campaigns.

**Diplomacy Toward Communist Powers Discussed**  
*SK070925 Seoul TONG-A ILBO in Korean*  
5 Jan 88 p 2

[Editorial: "North-Bound Diplomacy of Substance"]

[Text] The Korean peninsula in 1988 seems to be bound to adjust its ocean-bound tendency. This shift of wind is not because of the upcoming Olympics and not because of the overfulfillment of South Korea's economic goals, which has been achieved by overcoming severe trials.

It is the inevitable outcome of the necessities of the major powers surrounding the Korean peninsula—the United States, communist China, the Soviet Union, and Japan—and of our own national consensus. However, we would like to attribute this mainly to our economic achievements, which is true. By 1987 the scale of our economy ranked 17th in the world. Per capita GNP ranked 36th, while the scale of trade surplus ranked 4th.

Such an amassment of wealth, along with our geopolitical position and the Olympics to be hosted by us, makes us boldly seek a north-bound policy. It is no longer newsworthy that all East European countries have started exchanges with us. We have now entered a stage where we positively seek some channels toward communist China and the Soviet Union.

It has been said before that this phenomenon is not merely the outcome of our own efforts. The United States and communist China, the United States and the Soviet Union, communist China and the Soviet Union, and Japan have all volunteered to play the role of mediator, while scaling their stakes. However, South Korea's northern policy has long been sprouting and eventually expanded into an open pledge during the election campaigns last December.

It is natural that the start of northern diplomacy is made first in the economic area. A part of it is that the Federation of Korean Industries, in its New Year press conference on 4 January, disclosed a plan to form a consultative body of the business firms that are engaged in direct trade with communist China. There has been no

official response from communist China. However, considering the development of the situation, there is absolutely no need to be pessimistic.

From January through September last year, South Korea recorded \$350 million in exports to communist China and \$520 million in imports. These represent increases of 78 percent and 76 percent, respectively, over the previous year. We imported more from communist China than we exported to it.

While the amount of our trade with communist China, though indirect, has increased drastically, Japan, which has particular interest in communist China, has now become somewhat inactive. Japan's exports to communist China have fallen from \$12.4 billion in 1985 to \$9.8 billion in 1986, and its imports have fallen from \$6.4 billion to \$5.6 billion. Nevertheless, the amount of its trade with communist China is still enormous.

Meanwhile, with regard to the Soviet Union, prior to scaling the amounts of trade, it is important that we seek to find a possibility in analyzing the structural problems of the Soviet economy. This means that the amount of our trade with the Soviet Union is negligible. The Soviet economy was once shining in 1986. However, during the January-September 1987 period, its GNP increased by only 2.4 percent, far from its goal of 4.1 percent. Meanwhile, its industrial product increased by 3.6 percent, against the goal of 4.4 percent; and labor productivity increased only 3.7 percent.

General Secretary Gorbachev has advocated glasnost, and independent profit making has been allowed for enterprises. But there have been limits in centralized management.

With this in mind, we should seek our northern policy independently by realizing that Japan's mediating role is limited because of its own interest. At the same time, we should know that the calmer, the better. Because the reality of North Korea's existence must be recognized, there is a great possibility that excessive open diplomacy will have an adverse effect. At the same time, the inclination toward either the side of Communist China or the Soviet Union is not desired.

Prudent reconsideration is necessary over how far we would go in agreeing on a U.S. and Japanese approach to North Korea; and, if we neglect the spirit of reciprocity, that is, if we overlook the profits the countries surrounding us will make along the line of our profit, this is even more undesirable. It is clear that we should be not aloof but positive toward the northern area. In addition, prior to this, it is necessary to pay attention to establishing trade offices by businessmen. We hope that 1988 will become a year in which we, with our economic might, start to develop even firmer relations with the powers that surround us.

## Cambodia

### Hun Sen Receives WPC Delegation 5 January

BK061349 Phnom Penh SPK in English 1128 GMT  
6 Jan 88

[Text] Phnom Penh SPK January 6—Kampuchean Premier Hun Sen received in Phnom Penh yesterday afternoon a delegation of the World Peace Council led by its President Romesh Chandra, now on an official friendship visit to Kampuchea. Premier Hun Sen qualified the guests' visit as a source of encouragement for the Kampuchean people in their rebirth. He informed his guests of the current situation in Kampuchea particularly the PRK's August 27, 1987 national reconciliation policy which, he said, was a significant factor in creation [as received] the first historic meeting between him and Prince Norodom Sihanouk in Paris recently. He attributed the meeting to the good will and great efforts of the People's Republic of Kampuchea in implementing its policy of national reconciliation and to the declaration on July 28, 1986 at Vladivostok by CPSU General Secretary Gorbachev. The PRK, together with those of fraternal socialist countries, especially Vietnam and Laos, will do all it can to put an end to all suffering of the Kampuchean people as soon as possible by means of negotiation, the Kampuchean leader concluded. Romesh Chandra, for his part, highly hailed the achievements recorded by the Kampuchean people during the past nearly nine years and expressed his strong support for the just struggle of the Kampuchean people and the recent Hun Sen-Sihanouk meeting in Paris, which, he said, resulted from the national reconciliation policy and the efforts of the PRK. Now, the WPC leader noted, a number of countries where he recently visited had a better understanding of the Kampuchean problem after the Paris meeting. He pledged to do his best to make the present Kampuchean situation known. He expressed his belief that with the just stand of the PRK the second meeting between the Kampuchean premier and Norodom Sihanouk as well as the following ones will obtain more new good results. Concerning the Gorbachev-Reagan summit, he said that the agreement reached by the two superpowers this time was a main contribution to settling regional conflicts, including the Kampuchean problem, by peaceful means and a new step toward a total elimination of nuclear weapons the world over.

### Phnom Penh Meeting Celebrates National Day

BK070625 Phnom Penh Domestic Service  
in Cambodian 0430 GMT 7 Jan 88

[Text] At 0700 this morning, party, state, front, and mass organization leaders laid wreaths at the monument dedicated to fallen Cambodian combatants to pay homage to the souls of the Cambodian forefathers, cadres, party members, and combatants—both male and female—who sacrificed their lives in the cause of liberating the country and people. The leaders then laid wreaths at the monument dedicated to fallen combatants of the Vietnamese volunteer army, where they stood in silence to

pay homage to the souls of the comrades in arms, Vietnamese army volunteers, who sacrificed their lives in their noble proletarian internationalist duties on the Cambodian soil.

Also this morning, the KUFNCD National Council's National Committee for Organizing National and International Festivals organized a grand meeting to mark the ninth anniversary of the 7 January national day in a joyous atmosphere permeated with the spirit of firm unity.

Participating in the meeting's presidium were, among others, Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State of the PRK; His Excellency Romesh Chandra, WPC chairman; Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council; Comrade Say Phuthang, member of the party Central Committee Political Bureau, chairman of the party Central Committee's Control Commission, and vice chairman of the Council of State; Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Mrs Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Ney Pena, member of the party Central Committee Political Bureau and interior minister; Comrade Chan Seng, alternate member of the Political Bureau of the party Central Committee and vice chairman of the party Central Committee's Control Commission; Comrade Nguon Nhel, alternate member of the Political Bureau of the party Central Committee and secretary of the Phnom Penh Municipality's provisional party committee; and other leaders of the party, state, and mass organizations. Attending the meeting were representatives from the KPRAF and people's police force; Buddhist monks; ethnic nationalities; Cambodian residents in France; cadres, personnel, and workers from various central ministries, offices, enterprises, and factories; and more than 8,000 Phnom Penh residents. Also attending this grand ceremony were the ambassadors, charges d'affaires, and embassy staffs of various friendly countries in Cambodia; and national and international mass media representatives.

Speaking on that occasion, Comrade General Secretary Heng Samrin noted: The glorious historic day of 7 January is the day that the PRK was born as a state, which genuinely represents the fatherland's independence and the Cambodian people's right to mastery. The comrade general secretary further stated that we are very proud of all the achievements scored during the past 2 years, the first years of implementing the resolutions of the fifth party congress that reflect a new step forward by the PRK in the past 9 years of its development. Comrade

General Secretary Heng Samrin also stressed the national reconciliation policy and the five-point political solution, which is creating a new possibility for achieving a suitable political solution regarding the Cambodian problem and the problems of peace and stability in Southeast Asia.

On behalf of the Cambodian party, state, and people, Comrade General Secretary Heng Samrin expressed profound thanks to the WPC for its active support for the just cause of the Cambodian people and for its tireless activities made in its noble struggle for peace and mankind's survival. Also speaking on that occasion, His Excellency Romesh Chandra conveyed the best wishes from the world peoples to the Cambodian people on this occasion of the 7 January national day and their support for the Cambodian people's just struggle for national defense and construction, and expressed determination to continue providing long-term support for peace and stability in Cambodia and Southeast Asia.

#### **VODK Notes Anniversary of SRV Invasion**

*BK070425 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 6 Jan 88*

[Station editorial: "From Thunderous Clamor to Being Inextricably Bogged Down on the Cambodian Battlefield"]

[Text] Today, 7 January 1988, is the ninth anniversary of the invasion and occupation of Phnom Penh by the aggressor Hanoi Vietnamese troops.

Today in 1979, the Hanoi authorities thunderously clamored that they could totally annex Cambodia and that there was no more Cambodian problem. They also arrogantly threatened other countries not to oppose the powerful Vietnam. As for the Vietnamese aggressor troops, at that time they were also very arrogant and boastful. They thought that no one would ever be able to resist them.

Nine years have elapsed. What is the situation of the Vietnamese war of aggression in Cambodia?

The Hanoi authorities have not only, in fact, failed to annex Cambodia in a single stroke in accordance with their blitzkrieg strategy, but they are deeply bogged down in the quagmire of the Cambodian people's guerrilla war. By now, they have lost the mastery and initiative and are becoming subject to more and more problems on the battlefield. This means that they have lost the ability to annex Cambodia by military means and are heading toward a final defeat.

During the past few years, the Vietnamese aggressor troops which used to clamor thunderously in 1979 have become demoralized, lost the will to fight, and continued to flee the battlefield and their positions. They have been routed and forced to flee daily in disarray on all battlefields. To prevent themselves from being sent out to

fight, some have gone to the extent of using sharpened bamboo sticks to wound themselves, shot their arms or legs to maim themselves, and pretended to be sick. Others have argued over whose turn it is to go out and fight or mutinied and attacked their evil commanders for forcing them to fight. Many others have fled back to Vietnam for fear of being killed on the Cambodian battlefield. In sum, a dark cloud of desperation has spread over the ranks of the Vietnamese aggressor troops occupying Cambodia. They realize that they will never be able to conquer the National Army of Democratic Kampuchea [NADK] and the Cambodian people. All they can do now is await their doom.

In Vietnam, due to this 9-year war of aggression against Cambodia, the Vietnamese economy has plummeted and prices of goods have continued to rise monthly and yearly. The value of the Vietnamese dong is about as much as wastepaper, causing the Hanoi authorities to circulate new bank notes and devalue the dong. Black-marketeering, graft, and many other types of corruption have spread throughout Vietnamese society. Despite their all-out effort, the Vietnamese leaders have failed to suppress these bad practices. The livelihood of the entire Vietnamese people and administrators continues to deteriorate. The Vietnamese people have lost their trust in the leadership of the Hanoi authorities and have become increasingly unhappy with them. The Vietnamese leaders themselves have suffered from a more serious internal rift; so serious in fact that everyone knows about it.

In the international arena, the entire world is well aware of Vietnam's aggressive and expansionist nature. Vietnam is regarded as the aggressor that has attempted to exterminate the Cambodian race, destroyed peace, security, and stability in Southeast Asia and violated the norms governing international relations, the UN Charter, and the nonaligned principles. More countries have condemned Vietnam and demanded that it end its war of aggression in Cambodia and respect the independence, sovereignty, and territorial integrity of Cambodia and the Cambodian people's right to self-determination.

In sum, during the past 9 years, the Vietnamese authorities have suffered more serious difficulties in all fields: on the Cambodian battlefield, in Vietnam, and in the international arena. They will never be able to remedy this situation.

Meanwhile, the struggle waged by the Cambodian people and the CGDK has developed more favorably in all fields, militarily, politically, and diplomatically.

On the battlefield, with the support of the friendly countries near and far and all peace- and justice-loving countries of the world, the Cambodian people, NADK, and all Cambodian patriotic forces have held aloft the banner of great national union and jointly struggled



more vigorously against the Vietnamese enemy aggressors, bogging them down more deeply and plunging them into a total and complete impasse on the battlefield; they are heading toward final defeat.

Therefore, with the support of the world, the Cambodian people, NADK, and all Cambodian patriotic forces have totally smashed the evil and cruel strategy of aggression and expansion of the Vietnamese enemy aggressors who have attempted to annex Cambodia into their notorious Indochinese federation.

Due to this defeating and plunging situation, the Hanoi Vietnamese aggressors can no longer clamor as thunderously as they did in 1979. They are quiet and now say that the Cambodian problem must be resolved through political means. This statement is tantamount to confessing that they, the Vietnamese enemy aggressors, could not annex Cambodia through military means and that they would certainly be defeated. Even so, they still do not want to hold talks to really discuss the settlement of the Cambodian problem. They continue to resort to all kinds of tricky maneuvers—military and diplomatic—in an attempt to extricate themselves from this complex situation in all fields and then continue their offensive to crush the patriotic Cambodian resistance forces in order to realize their aggression in Cambodia.

For this reason, our entire NADK and Cambodian people must continue to hold aloft the banner of great national union and fight even more vigorously against the Vietnamese enemy aggressor on the battlefield, thereby causing them more complex problems to the point that they feel compelled to sit at a negotiating table and discuss the political settlement of the Cambodian problem with the tripartite CGDK in accordance with our eight-point peace proposal to withdraw all their aggressor troops from Cambodia, thus allowing the Cambodian people to decide their own destiny in accordance with the nine UN resolutions.

On this occasion, the Cambodian people and the CGDK would like once again to express profound thanks to friendly countries near and far and to all the peace- and justice-loving countries which have given firm and continuous support to the just struggle waged against the Vietnamese aggression by the Cambodian people in defending their nation and race. We would like also to call on them to further pressure Vietnam until it agrees to solve the Cambodian problem in accordance with the CGDK's eight-point peace proposal and withdraw all its troops from Cambodia to allow the Cambodian people to decide their own destiny in accordance with the UN resolutions.

## Briefs

### Front Delegation Visits SRV

Phnom Penh, 26 Dec (SPK)—A KUFNCD delegation, headed by Deputy Secretary General Mrs Lida Sisowath, visited Vietnam from 12-22 December. The Cambodian

delegation was received by Pham Van Kiet, Presidium member and secretary general of the Vietnam Fatherland Front Central Committee. The two sides exchanged views concerning the coming Third Congress of the Vietnam Fatherland Front and Fourth Congress of the KUFNCD which will take place in 1988. The Cambodian guests visited Ho Chi Minh City and Cuu Long and Hau Giang Provinces. [Text] *[Phnom Penh SPK in French 1140 GMT 26 Dec 87 BK]*

### Industry Ministry Meeting

On the morning of 31 December at the conference hall of the Industry Ministry, a meeting was held to sum up the 1987 industrial results and to set targets for 1988. The meeting was chaired by Tie Banh, alternate member of the party Central Committee, vice chairman of the Council of Ministers, and minister of telecommunications, transport, and posts. In his opening speech, Tie Banh reviewed major industrial and handicraft results in 1987 and some weak points and called on cadres and workers to put forth more effort next year. [Summary] *[Phnom Penh Domestic Service in Cambodian 0430 GMT 1 Jan 88 BK]*

### Returnees in Kratie Province

During the past 11 months in 1987, Kratie Province received 119 misled persons who have repented and turned themselves in to the revolutionary authorities in various localities in the province, bringing along 42 assorted weapons. [Excerpt] *[Phnom Penh Domestic Service in Cambodian 0430 GMT 29 Dec 87]*

## Indonesia

### Further on Italy's Prime Minister Gorla Visit

#### Meets With Suharto

BK061206 Jakarta Domestic Service in Indonesian  
0700 GMT 6 Jan 88

[Text] Talks between President Suharto and Italian Prime Minister Giovanni Gorla, which took place at Merdeka Palace from 1130 to 1300 West Indonesian time, went smoothly. State Minister Secretary Sudharmono briefed newsmen on the outcome of the talks between the two leaders.

[Begin Sudharmono recording] Talks with President Suharto were scheduled for the visiting Italian prime minister. The talks lasted about 1 and 1/2 hours and took place in a friendly, open atmosphere, beneficial to both parties. During their meeting they exchanged views on various matters such as bilateral and regional issues, as well as the world economic and political situation. All these matters encompassed the basic attitudes of the two countries.

President Suharto briefed our guest on the history of our national struggle and the goals of the Indonesian people's struggle so that he would understand more deeply the Indonesian people's aspirations. The president explained our long history of struggle that dates back to the days when we were first colonized 350 years ago, our struggle of provincial character until 1908, the national awakening, the declaration of the youth pledge, and finally, our proclamation of independence in 1945. The president also stated that even after the proclamation of independence we continued to struggle to defend our independence until it was recognized in 1950. Yet, we still could not implement development programs until 1965 due to internal problems. Finally, we returned to the 1945 Constitution to implement Pancasila in a good manner in order to fulfill the goals of independence and development.

He also explained the development strategy determined by the people in accordance with our Constitution. The president only carries out what is mandated by the people and the long-term development strategy is made up of five 5-year development plans to create a solid basis for success. This means we must create a balanced economic situation, an industry that is supported by a strong agriculture, and an industry that can produce locally-made machines and other items as stated in the broad outlines of state policies. In implementing industrial development, industrial products will face marketing problems if the world economy does not continue to support development. We will continue to face challenges in implementing development. Therefore, our development strategy is to open our doors to foreign countries for cooperation either at the governmental or private sector level. But, due to limited financing, there are also obstacles to our development and it is hoped that other nations will understand our situation.

Besides bilateral economic issues, the president also touched on Indonesia's attitude toward the world and regional political situation. He explained ASEAN cooperation, which continues to be (?strengthened) by the concept that cooperation should strengthen each other's national defense—cooperation on the basis of mutual respect and noninterference in each others' internal affairs, and cooperation for mutual benefit. With this concept ASEAN displays an attitude for facing both regional and world situations. Within this framework, the attitude of ASEAN, particularly Indonesia, on the Cambodian issue, Afghanistan, the Iraq-Iran war, the Middle East, southern Africa, and so on, were explained by President Suharto to the Italian prime minister.

The Italian prime minister explained the attitude of the Italian Government on such matters. He also expressed his appreciation and thanks for the welcome and explanation given by President Suharto and mentioned the main reason for his visits to Indonesia and the other ASEAN countries of Malaysia and Singapore. He said his visit to Indonesia is aimed at asserting Italy's concern

for this region, and particularly, for the countries he is visiting, and at promoting relations and cooperation for mutual benefit, particularly in the economic field. [end recording]

#### **Suharto Addresses Banquet**

*BK061641 Jakarta Domestic Service in Indonesian  
1500 GMT 6 Jan 88*

[Text] President Suharto is of the opinion that world economic problems should be solved on a global basis and with a serious political will on the part of all countries to protect the interests of industrialized countries and developing countries. Without these efforts the world will continue to be gripped by crisis.

This was stated by President Suharto in his speech at a state banquet hosted in honor of the visiting Italian Prime Minister and Mrs Giovanni Gorla at the state palace tonight. He said that industrialized countries and Third World countries are in the position, and have the responsibility and capability, to improve the world economy. Cooperation between ASEAN in the eastern region and the EC in the western region has made considerable progress. For this reason, countries in this region should do their best to further promote future cooperation for mutual benefit.

Meanwhile, in his return speech, Italian Prime Minister Giovanni Gorla said that Indonesia as one of the member countries of ASEAN has contributed a great deal to stability and growth in this region. He said that Indonesia has also contributed efforts to solve the Cambodian issue in accordance with the principles of international law. According to Giovanni, Italy appreciates Indonesia's support for the success of the recent ASEAN summit in Manila.

The banquet was also attended by Vice President and Mrs Umar Wirahadikusumah, several ministers of the fourth development Cabinet, and high-ranking state officials, in addition to Premier Giovanni and entourage.

#### **Gorla Holds News Conference**

*BK071115 Jakarta ANTARA in English  
1021 GMT 8 Jan 88*

[Text] Jakarta, Jan 7 (OANA-ANTARA)—Italian Premier Giovanni Gorla has stated that he could understand President Suharto's request that developed countries willing to participate in Indonesia's development program should be able to provide the Rupiah Fund (local financing) to finance various development projects to be jointly carried out with Indonesia.

Speaking at a press conference at the end of his two-day official visit to Indonesia here on Thursday, the Italian leader said that his side would be considering such a request and would soon send a response after taking up the matter with his government upon his arrival in Rome.



He said his government is adopting a different financing system in providing the local financing.

Answering a question if he was convinced the Indonesian Government's request could be matched, he said, "Of course, I'm sure and we would consider the matter and would table a counter proposal...."

President Suharto in his official talks with Premier Gorla on Wednesday asked the developed industrial countries willing to participate in the national development programs in Indonesia to give attention to the provision of the Rupiah Fund for solving the local financing problem.

Since the country is facing the financial problem, mainly caused by the drop of oil prices in the world market, the Indonesian Government as of last year called on donor countries to provide a bigger percentage in their assistance which is convertible into rupiah for local financing.

Speaking on the Italian aid under the Inter-Governmental Group on Indonesia (IGGI) to Indonesia, Premier Gorla said that the matter would be discussed during the next IGGI meeting, scheduled for next June.

Meanwhile, Italian Ambassador to Indonesia Giorgio Vecchi told ANTARA in an interview that Italian aid this year would at least be the same as that of last year totalling US\$30 million.

Gorla said he saw a great opportunity for Italian businessmen to invest their capital in Indonesia.

He mentioned among others opportunities for investments in the fields of energy, telecommunication, car assembling, petrochemicals, fertilizers, pharmaceuticals, agricultural machinery and timber processing.

He said these opportunities will be discussed in more details by a number of Indonesian businessmen who would be visiting Italy in the near future at the initiative of the Indonesian Chamber of Commerce and Industry (KADIN).

A group of leading Italian industrialists who had come along with Gorla in his two-day visit to Indonesia already had a meeting with the leaders of KADIN on Wednesday.

The Italian prime minister added there should be more meetings between both sides to discuss trade and production. Italy, he promised, would welcome every visit to Italy by Indonesian officials or businessmen.

In the near future a group of Indonesian officials is scheduled to visit Italy.

Meanwhile Italian businessmen are also planning an "Italian Week" in Jakarta shortly.

Gorla declined to answer a question on the plan of an Italian energy company, Ansaldo, to participate in the development of a nuclear power plant (PLTN) in Indonesia on the basis of the BOT (build, operate, transfer) system.

He said he would like first to see the multipurpose nuclear research center at the the Center for Scientific and Technological Research (Puspiptek) at Serpong on Thursday afternoon.

In the field of nuclear energy, Italy has extended various kinds of aid to Indonesia including training by giving scholarships to Indonesian researchers.

According to Ambassador Vecchi, Italian investments in Indonesia excluding those for oil explorations amount to only about eight million US dollars.

#### **Mokhtar Meets With Italian Foreign Minister**

BK070458 Jakarta ANTARA in English  
0330 GMT 7 Jan 88

[Excerpt] Jakarta, Jan 7 (ANTARA-OANA)—Indonesian Foreign Minister Mokhtar Kusumaatmaaja and his Italian counterpart Giulio Andreotti discussed various international issues here Wednesday at the Merdeka Palace.

On bilateral issues, we agree that among us there is no problem, so the talks are more focused on international issues, Mokhtar told reporters after the meeting.

He said that in the talks Andreotti also had revealed his view on the U.S.-USSR nuclear weapons agreement signed recently. Andreotti said although the agreement gives a hope for better relations between the two superpowers, it, however, requires follow-up.

Those agreements included accords on long distance intercontinental missiles, conventional armed forces, and the negotiations banning chemical weapons.

The two foreign ministers also discussed the Afghanistan issue and the situation in the Gulf.

Mokhtar said his counterpart Andreotti explained the effort by the UN Security Council to seek a solution to the problem which has reached a deadlock.

We are now waiting for further developments, because the Iranian attitude does not contribute to the achievement of an international solution, he said.

On the possibility of Indonesia being requested to help solve the problems in the Gulf, Mokhtar said such a request would not be specific.

But I will offer a helping hand if I have a chance to meet the Iranian foreign minister, I will explore the Iranian attitude, he said.

On ASEAN and EEC relations, Mokhtar said they also discussed them but not extensively.

The Italian foreign minister is in Jakarta joining a 2-day visit by Italian Prime Minister and Mrs Giovanni Goria as of Wednesday. [passage omitted]

### Laos

#### More Thai Troops Said Sent to Disputed Area

BK070050 Vientiane Domestic Service in Lao  
0000 GMT 7 Jan 88

[Text] As reported earlier, on 5 January the Thai ultrarightist reactionaries used 105-mm and 155-mm artillery to bombard Hills 1370 and 1428 with 15 shells. Yesterday, 6 January, beginning at 1100 [0400 GMT], the Thai ultrarightist reactionaries deployed F-5 aircraft to fly nine violent bombing and strafing sorties against Hills 1370 and 1428 and the Phou Viang Mountain area. After that, they fired an estimated 150 105-mm and 155-mm artillery shells against the areas, thus causing the situation there to again become tense.

Further reports said that in the past few days the Thai ultrarightist reactionaries have sent many more battalions of reinforcements into the areas of conflict, thus making the situation there more tense. This development clearly shows the true nature of the Thai ultrarightist reactionaries who pay lip service to their desire to negotiate with the Lao side an end to the border clashes while, in practice, they escalate their aggression and nibbling attacks against Lao territory. The Thai ultrarightist reactionaries must cease their acts of aggression against Laos and immediately withdraw their forces from the Lao territory they are occupying; otherwise, they must be held solely responsible for any serious consequences arising from their action.

#### District Forces Repulse Attack

BK071331 Vientiane Domestic Service in Lao  
1200 GMT 7 Jan 88

[Text] According to a local news report from Boten District, Sayaboury Province, beginning 0530 on 7 January, Thai ultrarightist reactionary troops from the 3d Army Region mobilized a company of forces to attack a position of our Lao regional armed forces at Hill 1182 located some 3-5 km deep inside Lao territory in the Phou Soi Dao Mountain. However, they were repulsed by the Boten District regional soldiers who exercised their right to self-defense. A number of the Thai soldiers were killed or wounded.

#### Thai Aircraft Reportedly Bomb Boten Area

BK070926 Vientiane Domestic Service in Lao  
0430 GMT 7 Jan 88

[Text] The ultrarightist reactionaries in the Thai 3d Army Region continue to encroach relentlessly on LPDR sovereignty. They have deployed 105-mm and 155-mm

artillery pieces to successively bombard many Lao hills west of Boten District, Sayaboury Province. More serious still, yesterday, 6 January 1988, they sent F-5 aircraft to conduct a new round of bombing against Lao soil. According to regional reports, at 0950 [0250 GMT] yesterday, the ultrarightist reactionaries in the Thai 3d Army Region fired 15 105-mm and 155-mm artillery shells against Hills 1370 and 1428. At 1055 [0355 GMT], they dispatched an L-19 aircraft to intrude into Lao airspace and fly spy flights over the area.

At 1100 [0400 GMT], Thai F-5 aircraft flew nine sorties to drop 48 bombs on the area of Hills 1370 and 1428 and other hills in the vicinity. Afterward, they fired an estimated 150 artillery rounds again against those Lao hills.

This is the third time Thai jet aircraft have dropped bombs on Lao soil. As for the two previous occasions—on 15 and 23 December 1987—Thai jet aircraft flew 21 bombing sorties against Lao soil, dropping 91 bombs.

#### Phoumi Vongvichit Receives Thai King's Message

BK061155 Vientiane KPL in English  
0902 GMT 6 Jan 88

[Text] Vientiane, January 6 (KPL)—Phoumi Vongvichit, acting-president of the Lao People's Democratic Republic, has received a message of thanks from the Thai king, His Majesty King Phumiphon Adunyadet, which reads:

"I wish to thank Your Excellency and the Lao people sincerely for the kind message of congratulations and generous gift sent on the occasion of my sixtieth birthday anniversary.

"I extend in return my best wishes for your personal well being and for the welfare of the Lao nation."

#### Greetings Sent to PRK Leaders on National Day

BK070135 Vientiane Domestic Service in Lao  
0000 GMT 7 Jan 88

[Text] Yesterday, Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers; Comrade Phoumi Vongvichit, acting president of the state and vice chairman of the LPDR Council of Ministers; and Comrade Sisomphon Lovansai, acting chairman of the Supreme People's Council [SPC] of the LPDR, sent a joint greetings message to Comrade Heng Samrin, general secretary of the KPRP Central Committee and president of the PRK Council of State; Comrade Chea Sim, chairman of the PRK National Assembly; and Comrade Hun Sen, chairman of the PRK Council of Ministers, in Phnom Penh.

The message reads:

On the occasion of the ninth founding anniversary of the PRK, on behalf of the LPRP Central Committee, the SPC, the LPDR Council of Ministers, the Lao people of all tribes, and in our own names, we are overwhelmingly thrilled to extend our warmest congratulations and best wishes to you, comrades, and, through you comrades, to the KPRP Central Committee, the Council of State, the National Assembly, the Council of Ministers of the PRK, and all fraternal Cambodian people.

The miraculous victory scored by the heroic Cambodian people on 7 January 1979 was an important symbol in the history of Cambodia, opening up a new era for that country, an era of independence, freedom, and prosperity for the Cambodian people. Throughout these years, the fraternal Cambodian people, under the clear-sighted and talented leadership of the KPRP, have managed to safeguard the revolutionary fruits and score great achievements in various fields in rebuilding the country, thus gradually improving the living conditions of the people.

At the same time, the PRK has also gradually scored victories in the international field. The various correct proposals full of good intentions advanced by the PRK to settle the Cambodian problem through political means to further enhance peace and national concord, in particular, have received extensive support from the world community, thereby increasing the status, role, and influence of the PRK in the international arena.

The all-round great victories and successes scored by the Cambodian people compose a firm base for the tasks of defending and building Cambodia to become incessantly stronger and more powerful. They also serve to increase the strength of the solidarity and militant alliance among the three Indochinese countries and have contributed significantly to the struggle for peace and stability in Southeast Asia and the world. The Lao party, government, and people wholeheartedly hail the great victories and successes scored by the Cambodian people and regard them as our own. We are extremely proud to see that the great friendship, special solidarity, militant alliance, and all-round cooperation between the two parties, states, and peoples of Laos and Cambodia, which have been nurtured into fine traditions for a long time, have been further consolidated and strengthened to gradually grow stronger and to bear more fine fruits, thus ensuring victories for the revolution in each of our countries and the revolutionary cause of the three Indochinese countries.

On this auspicious occasion, we wish the fraternal Cambodian people ever greater achievements in fulfilling the decisions adopted at the Fifth KPRP Congress, aimed at defending and building the Cambodian nation for the prosperity of the Cambodian people.

**Editorial Marks PRK's Ninth Anniversary**  
*BK071154 Vientiane KPL in English*  
0926 GMT 7 Jan 88

[“Editorial: PASASON Welcomes PRK National Day”—KPL headline]

[Text] Vientiane, January 7 (KPL)—In its editorial today, PASASON hails the victories of the PRK scored in the past 9 years, describing them as instrumental in the national reconstruction.

Welcoming the 9th founding anniversary of the People's Republic of Kampuchea (January 7), the leading Lao daily also comments that the PRK's historical victories were won due to the common force of the three Indochinese countries. Such phenomenon has become a decisive factor for the development and achievements of the revolution in their respective countries. “In the last 9 years, the PRK has foiled sabotage activities by Khmer reactionary factions backed by the Thai ultrarightist reactionary circles,” PASASON noted, adding to this effect the all-round victories of the Kampuchean people have clearly proven the successful implementation of the revival of the Kampuchean nation.

Touching on the present situation, PASASON attributes the positive result of Hun Sen-Sihanouk talks in Paris to the good will and aspiration of the PRK for national reconciliation which wins world-wide support. “The Lao party, government and people, on the basis of great friendship, special solidarity and all-round cooperation between Laos and Kampuchea as well as among Laos, Kampuchea and Vietnam, fully support the PRK good will and its constant attitude as declared on October 8, 1987. We will do our utmost to contribute to the strengthening of bilateral relations and to the solution of problems for peace and the socialist cause in the PRK,” PASASON stresses, adding, in conclusion that, under the leadership of the KPRP headed by Heng Samrin, the aspiration of the Kampuchean people will be materialized and that the Kampuchean issue will be solved for the interests of peace and stability in Southeast Asia and the world over.

**Planning Delegation Leaves for Moscow**  
*BK071058 Vientiane KPL in English*  
0908 GMT 7 Jan 88

[Text] Vientiane, January 7 (KPL)—A delegation of the State Planning Committee led by its chairman Sali Vongkhamsoo, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, left here yesterday for Moscow where it will attend the annual conference of the committees for economic, scientific and technological cooperation between the two countries scheduled to be held on January 7-12.

The delegation was seen off at the airport by Phoun Sipaseut, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, and minister for foreign affairs, together with other high-ranking officials.

Vladimir Goussak, charge d'affaires a.i. of the USSR to Laos was also present at the airport.



**Decree on State Import-Export Monopoly**

*BK061506 Vientiane Domestic Service in Lao  
1200 GMT 25 Dec 87*

[Council of Ministers Decree on state monopolization of management of import-export businesses—dated 19 October 1987]

[Text] To fulfill the spirit of the fourth party congress decision on strengthening state monopolization of foreign trading and management of import-export businesses in a unified manner throughout the country to do away with the middleman system and effectively carry out thorough trading transactions, the Council of Ministers has decided the following:

Article 1. All business sectors having regular and voluminous trading transactions with foreign countries must implement the principle of thorough trading transactions on the basis of direct contracts with the company wishing to purchase goods from Laos, the company producing goods Laos wants to purchase, or the agent of the company that the LPDR Government permits to be officially stationed in Laos. The state will study and consider granting permission for foreign companies having trading contracts with Lao business sectors to install their own agents in the Vientiane municipality and certain key provinces. The Council of Ministers has tasked the Trade Ministry, after coordination with the Foreign Affairs Ministry, with issuing permits for companies to install their own agents. The Trade Ministry must reexamine all agents of foreign companies that have been installed in the Vientiane municipality and other provinces. If the conditions mentioned above do not exist, those agents will be abolished.

Article 2. The Council of Ministers is in charge of authorizing the appointment of Lao trade agents to be stationed in foreign countries in order to carry out direct trade transactions with foreign companies. These Lao trade agents will depend on the embassies in regard to administrative and economic matters and on the management of the Trade Ministry in regard to specialized matters. The Lao trade agents stationed in foreign countries must submit regular reports to the Trade Ministry and to a number of concerned branches of work on market and price situations. They must also strictly abide by international trade law. They have the right to sign trade contracts with foreign countries on behalf of the business sectors within the country on the basis that those businesses have granted them the authority to do so, and to follow up and encourage Lao and foreign companies to correctly and quickly deliver and accept goods in accordance with the quantity, quality, and specifications stipulated in the bilateral agreement. The business sectors in the country that have the authority to carry out import-export businesses have the right to send their own representatives to carry out business transactions with foreign companies.

Article 3. The Council of Ministers grants authority to the Trade Ministry and the administrative committees of all provinces and municipalities to guide, manage, and inspect all import-export activities in accordance with their management rights. Article 4. The Council of Ministers grants the Trade Ministry the right to issue permits for import-export transactions to the central economic sectors and other international economic sectors in Laos. As for the economic sectors in the provinces and municipalities, the provincial and municipal administrative committees are granted the right to issue permits for import-export transactions.

Article 5. All business sectors authorized to carry out import-export activities must register their import-export businesses before they can carry them out.

Article 6. The import and export of all types of goods in whatever forms, such as strategic and nonstrategic goods, ornamental objects and high-value materials, display goods, temporary imported or exported goods, goods acquired with loans or aid, cultural goods, and other types of goods, must be accompanied by import and export permits. With regard to personal belongings taken out of or into the LPDR by individuals on their persons, including foreign currency and high-value materials, no permits are required. The Trade Ministry, the Finance Ministry, and the State Bank are authorized to define the categories, quantity, and value of such foreign currencies and personal belongings.

Article 7. The business sectors which have the right to request permits to import and export goods are as follows:

- 1) The import-export companies and factories belonging to the center;
- 2) The trading companies and the state-private partnership companies belonging to the provinces and municipalities;
- 3) Other economic sectors producing export goods;
- 4) Other organizations and individuals having privileges to bring in or to send out goods, such as diplomats, experts, international organizations, and entering or departing passengers having personal belongings more than permitted limits.

Article 8. The business sectors having received permits to carry out import-export transactions must carry out trading in accordance with plans. Each plan must clearly state the specifications, quantity, original purchasing price, and final selling price of goods. The original purchasing price is the price paid to the original company and the final selling price is the price of our export goods to the destination company. If trade is carried out with the socialist countries, only one permit is required for the yearly plan. Except for this, a permit must be acquired for each import-export transaction. The plans

of the center's economic sectors must be submitted to the ministry of trade but those of the economic sectors in the localities must be submitted to the trading services of the provinces or municipalities. The trade services must rely on the plans of these sectors in mapping out the provinces' plans which will be submitted to the Trade Ministry. The Trade Ministry must rely on the plans of the economic sectors of the centers and those of the various provinces in mapping out the national plan which will be submitted to the State Planning Committee for collective modification before forwarding to the Council of Ministers for approval. The Trade Ministry and the trade services of the provinces and municipalities issue registration documents for import-export businesses operation and other necessary documents to the economic sectors at their respective levels.

Article 9. A goods quality inspection division must be set up at each border customs checkpoint with staff personnel from various services concerned. This division is in charge of inspecting all types of goods entering the LPDR.

Article 10. The ministers of trade, finance, and foreign affairs, the chairman of the State Bank Committee, and the chairmen of the provincial and municipal administrative committees are instructed to organize the enforcement of this decree in a strict manner. This decree becomes effective on the date it is signed. All other regulations contradicting the spirit of this decree are superseded.

[Dated] Vientiane, 19 October 1987

[Signed] Kaysone Phomvihane, chairman of the Council of Ministers

#### **Council of Ministers Decree on Pricing**

BK070715 *Vientiane Domestic Service in Lao*  
1200 GMT 21 Dec 87

[Decree issued by the Council of Ministers on state policy on pricing; dated 19 October 1987]

[Text] Through the implementation during the past 2 years of Resolution No 4 on the pricing policy issued by the party Central Committee Political Bureau, it can be affirmed that this policy is correct and that, generally speaking, prices throughout the country are gradually being stabilized and normalized, thereby positively contributing to stimulating production and increasing the circulation of goods and money and improving the people's living conditions daily.

Nevertheless, because the spirit of the Political Bureau's resolution has yet to be deeply appreciated, there have been many shortcomings in guiding its implementation. For example, the implementation of the signing of two-way contracts based on the spirit of buying and selling in wholesale amounts has not yet been effectively executed.

To implement the portion of the resolution—adopted at the Fourth LPRP Congress—dealing with prices and continue the implementation of the Political Bureau's Resolution No 4 aimed at stimulating production in all economic sectors to vigorously develop, at expanding the circulation of goods and money, and at enabling various economic sectors to gradually switch to the business accounting system, the Council of Ministers has decreed:

Article 1. Prices of all types of goods and various services must reflect the relationship of supply and demand, the purchasing power of money, the quality of goods and services, and a reasonable rate of savings.

Article 2. In all fields of production, business, exchange, and trade in material, equipment, agro-forestry goods, and services, there must be an application of a one-price policy. The one price is a general selling price without any dividends for targets and is lower than the selling price in the market. It is a genuine price in the market and is mutually agreed upon between the buyer and seller.

Article 3. Under the condition of the one-price policy, the following must be applied:

1) Retail prices are the simultaneous prices appearing in the markets.

2) Wholesale prices: Trading wholesale prices are the prices that are mutually agreed upon by the wholesale and retail enterprises; industrial wholesale prices are the prices that production enterprises fix for customers on the basis of mutual agreement.

3) Rates of all types of transportation, with the exception of air transportation, are agreed upon between the transportation enterprises and their customers. As for air transportation rates, they are determined by the government on the basis of reasonable expenses and profits and a study comparing international rates.

Article 4. As for the exchange rate of payment transactions and for the foreign currency exchange business, the uniform rate of each foreign currency in the market must be applied.

Article 5. On the management of pricing work:

1) The Council of Ministers shall decide on the direction and tasks for the pricing policy at each stage. It is strictly forbidden for the ministries and provincial and municipal administrative committees to interfere in the detailed pricing work. The government shall decide on the prices of certain types of goods which can be controlled by the state on the basis of inquiry into prices in the markets and by relying on the recommendations of the enterprises concerned, such as electricity, water supply, various kinds of fuel oil, iron rods, cement, machinery, fuel-operated vehicles, mineral products, postal services, and air cargo and transport fares.

2) Business enterprises are authorized to calculate and estimate buying and selling prices suitable with market prices.

3) All local services and administrative organizations at various levels are to follow the implementation of the pricing policy set forth by the Council of Ministers and to guide business units in building up stocks of goods so if market prices rise, goods in stock can be brought out for sale in order to preserve the balance of supply and demand, thereby stabilizing market prices. A number of services must be set up under the State Planning Committee at the central and provincial levels to expeditiously follow and analyze the fluctuation of prices in domestic and international markets for various business units.

Article 6. The Council of Ministers, the chairman of the State Planning Committee, and the chairmen of the provincial and district administrative committees must publicize, explain, and organize the correct implementation of this decree among all grass-roots units and among the people. The State Planning Committee must publish a document clearly explaining the contents of this decree to organize the correct implementation of the decree.

Article 7. This decree is effective on the day signed. All previous decrees contradictory to this decree are superseded.

[Dated] Vientiane, 19 October 1987

[Signed] Kaysone Phomvihane, chairman of the Council of Ministers

### Philippines

**10 Killed in Army-NPA Clash in Ilocos Norte**  
*HK071139 Quezon City Radyo ng Bayan in Tagalog*  
1000 GMT 7 Jan 88

[Text] Six soldiers and four communist terrorists were killed during an intense fight between government troops and 300 NPA men. The incident occurred at dawn today in Piddig, Ilocos Norte. Camp Aguinaldo has received a report saying the fighting started when the rebels shot an army patrol while it was making its rounds in the town proper.

### Election-Related Violence Continues

**NPA Mounts 'Major' Attack**  
*HK070929 Hong Kong AFP in English 0917 GMT*  
7 Jan 88

[Text] Manila, Jan 7 (AFP)—Communist guerillas mounted a major provincial attack Thursday as campaign violence spread to the capital in the tense run-up to January 18 local elections, officials said.

Manila Archbishop Jaime Cardinal Sin called for an end to violence and appealed for calm in the elections in a message released to the press Thursday and due to be read in churches at the weekend.

The communist New People's Army (NPA) mounted its largest offensive so far this year when some 200 guerillas raided an Army post north of here before dawn Thursday, sparking a six-hour gunbattle that left four soldiers and three rebels dead, the military said.

The attack came as campaign violence reached Manila for the first time with the killing of two ward leaders by unidentified men Wednesday, 11 days before the polls, officials said Thursday.

A sniper shot dead a mayoral candidate addressing a rally in Porac town near the U.S. Subic naval base Wednesday, bringing to 38 the confirmed death toll, including two dozen candidates, although unofficial estimates put total fatalities at more than 60.

The communist rebel attack occurred in the northern town of Piddig, in the Ilocos region where NPA guerrillas are also holding five candidates hostage.

The military said here Thursday that three administration candidates were kidnapped and two of them later executed by the NPA near Matalom town in the central province of Leyte last Tuesday.

More than 100,000 aspirants are contesting about 17,000 provincial, city and town positions in the first local polls in eight years in this country, where such exercises have traditionally been the most heated and violent.

"Violence has marked the election campaign," Cardinal Sin, the archbishop of Manila, said in a written message to his flock.

"As Christians, we should not use violence to defeat our opponents or eliminate our political enemies," Cardinal Sin said.

President Corazon Aquino, who is hoping to consolidate her 22-month-old rule through the elections, earlier issued a similar plea for peace, calling on candidates to tone down rhetoric to ease tensions.

Security officials and most independent observers say the current campaign has not attained the levels of violence prior to the 1972 imposition of martial law by deposed president Ferdinand Marcos.

Brigadier General Ramon Montano Thursday said the current violence was "still far" from that in the 1970's, and that there were "no major upheavals."



But the current violence has caused alarm because these are the first local elections under the Aquino government.

"This event, which should be a cause of gladness as it is the final big step in setting up the structure of a democratic government, has already caused much apprehension," Cardinal Sin's message said.

He proposed a "new politics" that rejects violence and cheating, warning that "many are afraid that we will have the same old politics and political tricks that, as our bitter experience shows, breed corruption in public life."

The NPA said in a statement released Wednesday that the violent run-up to the elections was "putting to the test the claim of this government that election is the civilized and non-violent way of achieving one's political aims."

#### Death Toll Reaches 38

HK070419 Hong Kong AFP in English 0405 GMT  
7 Jan 88

[Text] Manila, Jan 7 (AFP)—Two campaigners have been killed by unidentified men in metropolitan Manila, bringing election violence to the capital for the first time in the run-up to nationwide local polls, police said Thursday.

An opposition candidate for mayor was also killed overnight by a sniper in Porac town near the U.S. Clark Air Base north of here, local authorities said.

The killings brought to 38 the confirmed death toll in poll-related violence since the campaign for January 18 local elections began on December 1.

Wednesday's killings of two ward leaders were the first in the capital.

Two ward leaders were shot dead in separate incidents in Manila's Tondo waterfront district and Taguig, an industrial suburb half an hour's drive away, police said.

One was a campaigner of the administration party and the other was with a right-wing opposition candidate, police added.

Police in Porac town said former mayor Ceferino Lumanlan, 47, was killed by a single bullet in the head fired by an unidentified sniper as the candidate was speaking on a makeshift stage in a residential area.

The sniper escaped but police and local residents suspected that he was a member of the NPA, which is entrenched in Porac's barrios. Police said they were also looking into the involvement of the victim's political enemies.

Mr. Lumanlan was a right-winger running as an independent candidate.

Unofficial estimates of election-related deaths now exceed 60 based on figures published by Manila newspapers, but it is difficult to ascertain if some of the killings were related to the first local government elections in eight years.

A total of 24 candidates have been confirmed killed in the countryside, many of them by communist New People's Army (NPA) guerrillas, who have also kidnapped about a dozen candidates.

Most victims were administration or right-wing opposition candidates.

#### Grenade Attack in Makati

HK071128 Quezon City Radyo ng Bayan in Tagalog  
1100 GMT 7 Jan 88

[Text] A grenade attack on the house of Ben Arcayeno in Guadalupe Nuevo, Makati killed a woman and wounded two others. The slain victim was identified as Elvira Alison, and the injured victims were Anita and Cynthia Avila. Alison's body was brought to the National Bureau of Investigation for an autopsy, while the Avilas were rushed to the Makati Medical Center. Arcayeno is running for councillor under independent mayoral candidate Ricky Yabut. Investigators said that the grenade attack occurred at 1435 today and they still do not know whether the incident involved political violence.

#### Comelec 'Controls' Olongapo City

HK070235 Manila Far East Broadcasting Company  
in English 2300 GMT 6 Jan 88

[Text] Olongapo City and the Fifth District of Iloilo Province were placed under Comelec control yesterday [6 January] due to heightening political tensions in those areas. Lawyer Vicente Geroche, Comelec operations chief, said he has also recommended to the commission that Caloocan City and Makati be placed under Comelec control because political tensions were also building up in those areas. During a press briefing Geroche told newsmen that Senator John Osmena had requested that Toledo City and the entire second district of Cebu be placed under Comelec control. Senator Osmena informed Geroche that political tensions have been building up in Toledo and the entire second district of Cebu Province. Osmena said it is better for these affected areas to be placed under Comelec control to ensure a peaceful, orderly, clean, and honest election. Geroche said Osmena will submit a formal petition to the commission in 2 days.

### **Towns Labeled 'Hot Spots'**

*HK070745 Quezon City Radyo ng Bayan in Tagalog  
0600 GMT 7 Jan 88*

[Text] The military has assessed 21 towns in Pangasinan as hot spots. Pangasinan PC-INP commander Colonel Romeo Odi said they expect political tension in these areas due to worsening feuds among opposing candidates. But Odi reassured that his men are prepared to stop any violent incident and maintain peace in the province. Among the towns mentioned are San Miguel, San Nicolas, Tayug, Umingan, Santo Tomas, Villasis, Mangatarem, Aguilar, Bugallon, Sual, Labrador, Infanta, Dasol, Burgos, Mabini, and Bolinao.

### **Teachers Fear Poll Duty**

*HK070849 Manila Radio Veritas in Tagalog  
0700 GMT 7 Jan 88*

[Text] Manila schoolteachers have expressed fears for their safety during the elections period because of the increase in violent incidents and killings as the local polls approach. Newspapers have aired the possibility that public schoolteachers, who will be on duty on election day, may stage a boycott because of fears for their safety. Mr Max Villaronte, vice president of the Manila Public Schoolteachers' Association, has given assurances that the teachers will not mount a boycott in Manila, but they are asking for just benefits.

[Begin Villaronte recording] We are demanding that we be given a large amount of insurance as compensation for the teachers who will be affected—not just P50,000, for what is P50,000 nowadays anyway? We are also asking that there not be any guns or bullets—no goons, guns, or gold during this election. Because if we see people entering the precincts carrying guns, there will be no freedom and there will be fear among civilians as well as poll clerks. So we are appealing to Secretary Quisumbing for a clearcut policy so that the teachers can be assured of protection.

We are not considering a boycott, that is our firm position. However we are afraid for our lives. And one more thing: After past elections, the payment we are supposed to receive within 72 hours after poll duties has sometimes taken us 2 weeks or a month to collect. [end recording]

### **Ileto Not Optimistic About Upcoming Polls**

*HK071159 Manila MANILA BULLETIN in English  
6 Jan 88 pp 1, 4*

[Text] Defense Secretary Rafael M. Ileto said yesterday he is not optimistic that the Jan. 18 local elections would be peaceful and orderly.

The defense chief expressed his pessimism during a press conference with members of the Defense Press Corps held in his office at Camp Aguinaldo.

He cited the series of election-related incidents of kidnappings, harassment, and killings of candidates and their leaders which began Dec. 1, the start of the election campaign.

No less than 100 political campaigners and candidates for local positions have been killed or kidnapped, records of the defense department showed.

Coming out with an "educated guess," Ileto predicted that such kidnappings and killings may yet intensify as the elections come closer. He blamed the politicians themselves of "perpetrating" such incidents, minimizing the participation of communist rebels or Muslim secessionist rebels.

In the same press conference, Ileto said he supports the proposal of the military and the Commission on Elections, (Comelec) in holding "staggered" elections in some places in Mindanao considered as "hot spots."

With the "staggering" of elections in these "hot spots," the defense chief said, the military and the Integrated National Police, as deputies of Comelec, would be effectively used in maintaining peace and order at polling places.

Short of mentioning names and places because he said he might be charged with electioneering, Ileto disclosed that at least 10 candidates are being supported by the People's Army (NPA).

Other candidates have been issued "campaign passes" by the NPA to enable them to campaign in NPA-influenced or controlled territory in exchange for payment of "progressive taxes," Ileto said.

The amount of tax varies, according to the defense secretary, from P20,000 to P50,000

### **Aquino To Appoint New PC Chief After Polls**

*HK071131 Quezon City Radyo ng Bayan in Tagalog  
1000 GMT 7 Jan 88*

[Text] President Aquino will appoint a new constabulary chief after the local elections on 18 January. Senator Ernesto Maceda made the announcement in a press briefing this morning, following his meeting with the president. Maceda has recommended a full-time PC chief for the constabulary so that it can operate better and become more effective. The present setup is such that the position of PC chief and vice chief of staff is relegated to one person. Maceda said this system results in a great backlog in the two offices.

Meanwhile, Maceda announced that Mr. Magno, presidential adviser on military affairs, is studying an extensive reorganization in the Armed Forces of the Philippines in relation to its system of promotion. Maceda has suggested revising the promotion system, and the president has asked Mr. Magno to carry out consultations

with the military on the issue. The findings will be submitted to Congress for its reopening session on 25 January. Maceda said that the lack of an effective promotion system in the military is a common complaint among soldiers.

**Aquino 'Firm' on Refusal To Pardon Honasan**

*HK070939 Quezon City Radyo ng Bayan in Tagalog  
0800 GMT 7 Jan 88*

[Text] President Aquino remains firm in her stand not to grant amnesty to former Colonel Gregorio Honasan. According to the president, she has received many letters urging her to resist calls to grant amnesty to Honasan. Several lawmakers have said they will support the president's decision, adding that they hope Honasan repents for his acts against the government.

**Communist Ad Urges Unity Against U.S. Bases**

*HK071209 Manila THE MANILA CHRONICLE  
in English 7 Jan 87 p 3*

[Paid advertisement by Partido Komunista ng Pilipinas (Communist Party of the Philippines) Central Committee, issued on 27 December 1987, entitled "For Peace, for Life: Unite Against U.S. Bases"]

[Text] The Filipino people must now seize the initiative to add their collective voice to the global clamor for nuclear disarmament, for a world free from weapons of mass destruction. The RP [Republic of the Philippines]-U.S. Military Bases Agreement is up for renegotiation in April 1988; now is the time for all the peace forces in the country to launch a massive campaign for the removal of foreign bases in our territory which harbor nuclear weapons and thus provide the U.S. with facilities to trigger a nuclear war. The nuclear-weapons-free provision in the 1987 constitution overwhelmingly approved by our people gives us the moral mandate to contribute to the global struggle to build a secure future for all humanity.

**Significance of the Washington Summit [subhead]**

The signing of the Intermediate Nuclear Forces (INF) Treaty by CPSU General Secretary Mikhail Gorbachev and U.S. President Ronald Reagan in the last Washington summit meeting is the first step for a nuclear-weapons-free world. A landmark in the improvement of Soviet-American relations, the Washington summit has created a new climate of world opinion which rejects the Cold War. The Soviet peace offensive relentlessly pursued by Gorbachev and the positive response of the American leadership together generate conditions for ridding the world of the tension and poison of the Cold War. The logic of the Cold War, initiated by the U.S. military industrial complex, has brought the world to the brink of nuclear annihilation. The Washington summit has ushered in a measure of hope and relief to all peoples

longing for a nuclear-weapons-free future. The momentum it has started will erode away the madness of anti-communism, which is the ideological basis of the imperialist nuclear arms buildup.

The INF treaty achieved by the summit meeting is a qualitative step towards denuclearization, a possibility which appeared incredible a decade ago. It marks a transformation of disarmament efforts from nuclear arms control to nuclear arms elimination. For the first time, a formal agreement for the destruction of a whole category of nuclear weapons, complete with on-site verification safeguards, is realized. The projected agreement on a 50 per cent reduction of nuclear strategic weapons to be taken up in the Moscow summit next year will even bring mankind nearer to a nuclear-weapons free world in the 21st century.

The peace initiatives of the Soviet Union are reaping unparalleled results, putting world socialism on a new stature and prestige before the bar of world public opinion. The quest for peace has achieved an accelerated pace, and the peace forces can proceed with renewed confidence that their efforts will strengthen a new and positive trend in international relations.

**Disturbing ASEAN Developments [subhead]**

We must note, however, that while the world political situation is fast changing, certain developments in Southeast Asia would have the effect of neutralizing, obscuring or even reversing the trends set by the Gorbachev-Reagan meeting. As if U.S. imperialism had the apprehension that the Washington meeting would shatter all its pretensions about the necessity of its bases in the Philippines, it manipulated the Aquino Government to rush an ASEAN summit meeting in the desperate effort to fabricate "Soviet expansionism" and concoct the need for U.S. military presence.

Preparatory to the ASEAN meeting, Foreign Secretary Raul Manglapus, visited the other ASEAN countries to elicit the stand of their leaders on the question of U.S. bases in the Philippines. The answer provided by the ASEAN summit meeting has been made public. Through a secret ministerial report, the result of American manipulation, the meeting concluded that the ASEAN members favor the retention of the U.S. military presence in the region in view of "the Soviet military buildup in Cam Ranh Bay and the continued uncertainty over the U.S. military presence in the region (that) may pose a threat to regional peace and security."

Apparently, the so-called "uncertainty over the U.S. military presence" can be settled by the Aquino Government by giving the U.S. a new military bases agreement. In her formal statement in the ASEAN meeting, President Aquino herself clearly implied the need for continued presence of U.S. bases in the Philippines as the "Philippine factor" in insuring peace and stability in the region—a statement which insults the countless Asians



who died as victims of U.S. forces of aggression mounted from U.S. base located in the Philippines. Coming on the eve of the military bases negotiations with the U.S. government, the Aquino-Manglapus stand is a fitting price for the stability of the Aquino Government which has been shaken by destabilization forces of U.S. imperialism with the view to extract a clear stand on the U.S. bases issue from the present administration. It is a betrayal of the deepest aspirations of our people to be secure from nuclear dangers and to be free from intimidations by a foreign power.

These developments contradict the avowed goal of ASEAN to establish a zone of peace, freedom and neutrality (Zopfan) and to transform the region into a nuclear-weapons-free zone (NFWZ). The U.S.-initiated "secret" report, deliberately leaked to the press for the desired effect, may imply that the U.S. bases in the Philippines have become a security complement of the ASEAN and thus undermine the fundamental character of the ASEAN conceived as a Zopfan.

The struggle on the bases question should be the focus of all the forces for national independence and popular democracy, given the impending renegotiation and the function of the U.S. military installations here in the maintenance of imperialist domination and aggression in the region. The bases not only endanger the survival of the Filipino people in case of nuclear attack or accident; they also make a mockery of our national sovereignty, subject third countries to U.S. military threats emanating from our territory, degrade our women and children through military prostitution, provide a breeding ground for deadly diseases such as AIDS and dangerous habits like drug addiction. No amount of rent, employment and other "benefits" can compensate for the degradation and indignity on our people, violation of national freedom, usurpation of sovereignty, and the denial of the right of self-determination of the Filipino nation.

The Filipino people must mobilize all their forces in pressing for the removal of the bases before, during and after the renegotiation period. As a political party which has staunchly maintained a principled anti-U.S. position since its founding, the *Partido Komunista ng Pilipinas* [name as published] [Communist Party of the Philippines] (PKP) calls on all the peace forces in the country to unite in a broad movement for a bases-free and nuclear-weapons-free Philippines.

For peace, for life, let us stand together for a sovereign Philippines, for a world without nuclear weapons and foreign bases for a progressive future for all humanity.

#### **Government To Seek Debt Renegotiation**

HK061055 Manila PHILIPPINE DAILY INQUIRER  
in English 5 Jan 88 pp 1, 7

[By Marlen Ronquillo]

[Text] Leaders of Congress and the Aquino administration's fiscal and monetary officials have reached a consensus to renegotiate the country's \$29-billion foreign debt.

The aim of the renegotiation is to ease the "monstrous" debt-service burden, Sen. Alberto Romulo told a news conference yesterday.

Romulo said leaders of the economic committees of the Senate and the House of Representatives are pushing for the reopening of debt talks. Finance Secretary Vicente Jayme and Central Bank Gov. Jose Fernandez have approved in principle the renegotiations, the former budget chief added.

"The renegotiations will be soon," said Romulo.

The rescheduling terms on the matured portion of the country's foreign debt took effect Dec. 22.

The rescheduling agreement was drafted last July by a Philippine panel led by the late Finance Secretary Jaime Ongpin and an advisory group of the country's 483 creditor-banks.

The agreement gave a grace period of seven years on the payment of principals, set the interest on the basis of the London Interbank Rate and approved the debt-to-equity swap through the use of Philippine Investment Notes. A \$93-million discount was also in the rescheduling agreement.

Romulo admitted, however, there is disagreement between the congressional leaders and the administration's fiscal and monetary officials on what position to take at the negotiating table should the creditors approve the proposal to reopen debt talks.

Congress, Romulo said, is inclined to "push hard," meaning seek major concessions from the creditor-banks on the country's \$29 billion debt.

These include a suspension on interest payments, the writing-off of loans found onerous, and the imposition of a unilateral cap on the yearly outlays in the national budget for debt service.

Romulo said the interests of the creditors should not take primacy over the need to stimulate Philippine industries and allocate more money for social services, infrastructure, health and other major concerns.

The fiscal and monetary managers, though in favor of reopening the debt talks, are inclined to take a conservative view and reject the pressure from congressional leaders to demand for major concessions.

Romulo said Jayme and Fernandez may not approve of radical measures like the suspension on interest payments or the setting of a cap on money for debt repayment.

"No economy collapsed from pegging the debt-service budget to say 10 percent of the country's earnings from commodity exports," said Romulo obviously referring to a Senate bill he filed seeking just that.

**Government, PRC to Sign New Trade Agreement**  
*HK070845 Manila Radio Veritas in Tagalog*  
*0700 GMT 7 Jan 88*

[Text] Foreign Affairs Undersecretary Raul Buncan says that a new protocol agreement will be signed in Beijing by the Philippines and the People's Republic of China before the end of this year. Bureau of Trade Relations Director Victor Gosiengfiao says the government is preparing a product list, which will be included in the new bilateral trade agreement between Beijing and the Philippine Government.

**'Politics' Delaying Settlement of Sabah Issue**  
*HK061017 Manila PHILIPPINE DAILY INQUIRER*  
*in English 5 Jan 88 pp 1, 3*

[Text] Politics is delaying the settlement of the long-standing Philippine claim to Sabah, sources at the foreign office said yesterday.

The sources said the government, which has decided to drop its claim to the eastern Malaysian state, is playing politics by "unnecessarily" consulting with the heirs of the sultan of Sulu.

To date, there are "close to 1,000" heirs of the sultan of Sulu, and more emerging as claimants, who are proving to be an "impediment" to an early resolution of the issue, the sources said.

They said the scope of the territory claimed by the heirs has expanded to include Kalimantan, a part of Indonesia.

This "very fluid attitude" of the heirs prevents the government from setting a time frame in which to resolve the Sabah question, the sources said.

The sources said Sen. Santanina Rasul had influenced a modified version of a bill earlier filed by Sen. Leticia Ramos Shahani seeking to drop the government's claim to Sabah. They said the other senators are playing politics by supporting Rasul, who wants the heirs' proprietary claims settled before the Philippine government drops sovereignty rights over Sabah.

The modified version of the drop-Sabah bill now pending in the Senate is based on the following conditions:

Ratification of treaties on extradition and on friendship, cooperation and commercial cooperation.

Conclusion of a border crossing and border patrol agreement and the signing of an accord on fishing, labor and trade.

Full and satisfactory settlement of the proprietary claims of the heirs of the sultan of Sulu.

The foreign affairs department—which initiated the "drop-Sabah" move—has no alternative but to lobby for Congress to pass the bill, the sources said.

"The (President) has abdicated a lot in the formulation of foreign policy. If the executive says so (that bilateral agreements advantageous to the Philippines had been entered into with Malaysia), then Congress should take it at face value," one of the sources said.

The sources said Congress has "gone overboard" in fulfilling its duties, adding that senators have "overstepped their bounds" by requesting copies of the agreements on "border security" and "friendship and cooperation" which were initialed last year by Filipino and Malaysian officials.

The requests were "not normal" since Congress—the country's treaty-ratifying body—should draft the bill independently of the executive branch, the sources said.

Rep. Michael Mastura (Laban-Maguindanao) has sponsored a bill which categorically drops the sovereignty claim on Sabah. While the House has passed this bill, it remains pending in the Senate.

**Thailand**

**Lao Artillery Movement at Border Reported**  
*BK070109 Bangkok THE NATION in English*  
*7 Jan 88 p 5*

[Text] Phitsanulok—Laos has dispatched two artillery pieces to support its troops fighting Thai forces on a strategic hill along the Thai-Lao border here, field military sources said yesterday.

The sources said Laotian troops might for the first time use the 130mm howitzers against Thai forces in the border battle.

Though Thai forces have mounted two air strikes to cut off Lao supply routes, Laotian troops reportedly are still using only mortars, rockets and light arms against the Thais. Thai military officers had earlier said Laotian troops have fortified their positions against Thai ground assaults.

The sources said Vientiane also sent a battalion of infantrymen as reinforcement to the town of Boten, Sayaboury Province, opposite Chat Trakan District here.

Thai border forces were put on alert, following the Laotian reinforcement, they added.

The sources said Laotian troops were preparing to evacuate villages along the border with the Thai northern province to clear the way for their military operations against Thai troops.

The Third Army Region still continued to push about 200 Laotian intruders, entrenched on Hill 1428 in Phu Soi Dao mountain of Chat Trakan, back into Laos.

Maj Gen Sathon Suwannapha, deputy commander of the regional army, yesterday expressed confidence that Thai forces would be able to flush out the intruders "soon."

Sathon said the dispute would not continue for long like the previous conflict over the three disputed villages near Uttaradit Province.

The previous armed clashes erupted in 1984 when the two countries disputed control over Mai, Klang and Sawang villages along the common border.

The sources also speculated that Laotian troops were preparing for a drive against the anti-Vientiane rebels in the Lao border area opposite Pakchom District of nearby Loei Province.

They said the Hmong hilltribe rebels are scattered on Pak Huai Chan Mountain, about three kilometres inside Laos.

Thai and Laotian troops have been battling for more than two months to control border hills claimed by both sides.

Vientiane has laid claim to a 70-kilometre piece of land which covers mountain terrain and villages on the west side of a border river here.

Bangkok has denied the Lao claim, saying the area is well inside Thailand.

Both sides have not yet agreed on talks to settle the border dispute.

#### **Envoy Urges Border Cease-Fire**

*BK070040 Bangkok BANGKOK POST in English  
7 Jan 88 p 1*

[Text] Thai Ambassador to Laos Niran Phanuphong yesterday appealed for an immediate ceasefire between the two countries in the disputed border village of Ban Romklao.

He said both sides have urged each other to stop firing and suggested that a ceasefire be enforced simultaneously.

The ambassador was speaking in an interview in Nong Khai where he arrived yesterday to consult with Nong Khai Governor Santi Manikan over the tense border situation.

The ambassador said he was concerned about the propaganda campaign waged by Laos over the Romklao incident because radical Laotian students tend to believe the government propaganda.

He said hundreds of Laotians including students and Buddhist monks on Tuesday held a protest against Thailand.

The demonstrators passed the Thai Embassy where they were offered drinking water by the embassy staff.

He said the demonstrators demanded Thai troops immediately ceasefire and pull out of Ban Romklao.

The ambassador noted that the dispute occurred because both sides used different maps and called for negotiations to settle the problem.

He said representatives from the United Nations or any neutral country should be invited to the talks.

The ambassador said Laotian troops have deployed sophisticated weapons in the fighting over the disputed area.

Asked how Laos reacted to Thailand's aide memoire, the ambassador said Laos had not responded to Thailand's recent offer to send a trade delegation there for talks.

He said Laos has taken the Ban Romklao incident seriously and accused Thailand of invading it. He called for an end to the Laotian propaganda campaign.

The governor's remark was in response to a two-hour Laotian television programme broadcast on Tuesday night about the anti-Thailand protest by government officials, students and members of the public in Vientiane.

The programme, which was received in Nong Khai, featured the protesters taking turns to accuse Thailand of intruding into Laotian territory in Sayaboury.

"This is not the right way to solve the problem," Mr Santi commented.

However, the governor said the conflict has not affected the border opposite Vientiane. Despite the volleys from across the Mekong, said Mr Santi, Nong Khai officials had been told to be flexible in dealing with Lao people crossing the river for trade purposes.

But confronted with the growing problem of refugee smuggling, the province has asked local people to report unauthorised arrivals, he said.

The provincial authorities recently warned local residents against helping illegal immigrants.



**Cabinet Approves Demarcation Zone in South**  
*BK070840 Bangkok Voice of Free Asia in English*  
1500 GMT 6 Jan 88

[Text] The cabinet yesterday approved the Foreign Ministry's demarcation of Thailand's Exclusive Economic Zone, EEZ, off Tak Bai District of Narathiwat, Foreign Minister Sitthi Sawetsila said yesterday. He said the proposed demarcation of Thai territorial waters was aimed at solving the ongoing fishing conflict with Malaysia.

The proposed limits cut through a sea area where the Thai and Malaysian exclusive economic zones overlap, and where Thailand and Malaysia have agreed to jointly develop the region. According to the ministry, Thailand's EEZ demarcation will lie along the continental shelf of Tak Bai District of Narathiwat starting from 6 degrees, 14.5 minutes latitude, and 102 degrees, 05.6 minutes longitude, to 7 degrees, 12.0 minutes latitude, 103 degrees, 42.5 minutes longitude.

Thailand declared its 200-mile EEZ in February 1981, but the exact location of the line was never pinpointed. Air Chief Marshal Sitthi said the ministry's proposed demarcation line will now go to the Judicial Council for consideration before final approval. Minister Sitthi said that, under the Law of the Sea enacted in 1973, mineral resources in an EEZ belong to the country that announced it. Fishery interests were included in the law in 1982. Malaysia announced its EEZ in 1984.

The Foreign Ministry source said any complaint about Thailand's new demarcation line would be considered by a joint committee set up by Thailand and Malaysia to oversee development projects in common waters.

**High Rice Price To Lead to Cancellations**  
*BK070210 Bangkok BANGKOK POST in English*  
7 Jan 88 p 13

[by Ratchaphon Laowanit]

[Text] The rising price of domestic rice is expected to force most exporters to cancel trade deals to avoid huge losses, export sources said yesterday.

The price of rice has increased sharply since the beginning of this week, particularly for second grade 100 percent rice which has increased by 30-40 baht per picul to 415-420 baht.

Rice exporters said they would suffer huge losses if they exported now, because the forward prices they quoted in earlier deals were much lower than the present level.

One example is a deal entered into by a group of four companies—Chayaphon Rice Co, Thanaphonchai, Nakhonluang and Ruam Khao Siam—with forward sales of

150,000 tons Iranian buyers at U.S.\$270 FOB [freight on board] per ton. They will face losses of at least \$30 per ton if they honour the deal now.

The Commerce Ministry yesterday received complaints from brokers in Iran over the possible non-delivery of the rice. An exporter said Thai traders were normally required to pay a guarantee of 5 percent of the trade value to Iranian buyers, but if the rice price continued to increase, the exporters would prefer to lose this than suffer the losses involved in exporting under the current circumstances.

Rice Exporters Association vice president Woraphong Pitphongsa said Thai exporters would try their best to honour contracts and uphold the image of Thai exports.

He said he believed non-deliveries were just a rumour, and hoped domestic prices would begin weakening soon.

Rice exporter representatives, in an attempt to solve the problem, met with Foreign Trade Department Deputy Director General Pracha Charutrakunchai yesterday to ask him to invite the Iranian buyers for a meeting to discuss the issue.

Iranian buyer representatives will meet with Mr Pracha today at the ministry.

The exporters also asked to buy 75,000 tons of rice from the ministry to help soften the domestic rice price.

The 75,000 tons was sold by exporters to the Foreign Trade Department in 1985 and comprises 62,185.6 tons of second grade 100 percent rice and 13,178.9 tons of 10 percent rice.

The ministry agreed to sell the rice back to the exporters for 6,150 baht per ton for second grade 100 percent rice and 5,780 baht per ton for 10 percent rice.

The exporters will lose about 900-1,040 baht per ton in the deal based on the prices they sold to the ministry in 1985.

Commerce Permanent Secretary General Patchara Itsarasena said he was quite worried by the export price of rice and would like to see buyers and sellers compromise on the issue.

Mr Woraphong said the Foreign Trade Department would as soon as possible study the real situation so it could help solve the problem.

"I think it is just conjecture that there will be non-deliveries with buyers confiscating the 5 percent guarantee because there has never been such a case," he said. "But if it comes true, we will try our best to compromise with both sides."

### **Rice Exports Set Record**

*BK060118 Bangkok BANGKOK POST in English  
6 Jan 88 p 13*

[Text] Thailand's rice exports last year increased slightly by 34,092.55 tons or about 8 percent over the 1986 level.

A total of 4,356,958.74 tons of rice were exported last year compared to 4,322,866.19 tons in 1986. The increased volume represents the second largest annual export figure.

The highest annual export volume was recorded in 1984 when 4,545,141.97 tons of rice were exported.

The total value of the country's rice exports is not yet available.

Some 3,283,262.48 tons of last year's rice exports were shipped by private exporters while the government exported 973,696.26 tons, or 22.35 percent of the total.

### **Vietnam**

#### **Cambodian National Day Anniversary Marked**

##### **Leaders Send Greetings**

*BK061615 Hanoi VNA in English 1530 GMT  
6 Jan 88*

[Text] Hanoi VNA Jan. 6—Vietnamese leaders today sent greetings to their Kampuchean counterparts on the 9th National Day of the People's Republic of Kampuchea.

The message is jointly signed by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee; Vo Chi Cong, president of the Council of State; Pham Hung, chairman of the Council of Ministers; and Le Quang Dao, chairman of the National Assembly, and is addressed to Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the Council of State; Chea Sim, chairman of the National Assembly; and Hun Sen, chairman of the Council of Ministers.

The message says: "Under the clear-sighted leadership of the P.R.P.K. [KPRP] headed by esteemed Comrade Heng Samrin, the heroic Kampuchean people have over the past nine years overcome numerous difficulties and trials in their persistent struggle and creative work, and obtained substantial successes in the political, military, economic and cultural domains, thus stabilizing the life of the people. The PRK's policy of national reconciliation and its stance on a solution for the Kampuchea issue which are brilliant with justice have been widely supported by the world public and have brought in initial results, thus making a positive contribution to a political solution for the Kampuchea issue and to building a

Southeast Asia of peace, stability and cooperation. The prestige of the People's Republic of Kampuchea has ever been rising on the international arena.

"The Vietnamese people admire these great successes and sincerely wish the fraternal Kampuchean people still greater successes in their national construction and defence, and in the implementation of the resolution of the 5th P.R.P.K. Congress.

"Gratified at the strong development of the special relations between Vietnam and Kampuchea, the Vietnamese people will do their utmost to maintain and strengthen those loyal ties. The Socialist Republic of Vietnam will spare no efforts to raise the quality and effectiveness of the two countries' all-round cooperation as well as the Vietnam-Kampuchea-Laos cooperation, promoting this cooperation in depth, strengthening the economic power of each country, and consolidating the posture and strength of the revolution of the three Indochinese countries."

The message expressed profound gratitude of the Vietnamese party, government and people to the party, government and people of Kampuchea for their great, wholehearted support and assistance to the Vietnamese revolution.

##### **Hanoi Holds Mass Meeting**

*BK061635 Hanoi VNA in English 1535 GMT  
6 Jan 88*

[Text] Hanoi VNA Jan. 6—A mass meeting was held at the municipal theatre here this evening to mark the 9th national day of the People's Republic of Kampuchea (Jan.7).

The meeting was jointly sponsored by the Vietnam Committee for Solidarity and Friendship With Other Peoples, the Vietnam-Kampuchea Friendship Association and the People's Committee and the Fatherland Front Committee of Hanoi.

Prominent among the participants were Tran Quoc Huong, secretary of the Communist Party of Vietnam Central Committee; Tran Duc Luong, vice chairman of the Council of Ministers; Hoang Minh Giam, president of the Committee for Solidarity and Friendship with other peoples; Tran Tan, mayor of Hanoi; and other Vietnamese officials.

Kampuchean ambassador Tep Henn and Lao Ambassador Bouasi Chaleunsouk were also present.

Addressing the meeting, Mayor Tran Tan warmly welcomed the marvelous revival of the Kampuchean people from genocide and their great achievements in all fields over the past nine years under the correct leadership of the People's Revolutionary Party of Kampuchea headed by General Secretary Heng Samrin. He praised the external policy of peace of the People's Republic of

Kampuchea, particularly that of national reconciliation and its five-point political solution, which have yielded important initial results, thus helping step up the process to a political solution for the Kampuchean issue, for the interest of the Kampuchean people, and for peace and stability in Southeast Asia.

Taking the floor, Kampuchean Ambassador Tep Henn praised the victories of the Kampuchean revolution, underlining that they could not be separated from the support and assistance of Vietnam, Laos, the Soviet Union, and other socialist countries and of India and the progressive mankind.

On the recent Hun Sen-Sihanouk meeting in Paris, the Kampuchean diplomat noted that this is the first historic meeting between two Kampuchean opposition parties to settle disputes through negotiations aimed at bringing peace and national unity to the Kampuchean people. This is also a grave defeat for the Khmer reactionaries and forces of international reaction, he said.

On this occasion, the Vietnam-Kampuchea Friendship Association has extended greetings to its Kampuchean counterpart.

A similar meeting took place in the port city of Da Nang in the central Province of Quang Nam-Da Nang.

#### **Radio Hails Cambodian Revolution**

*BK070801 Hanoi Domestic Service in Vietnamese  
1430 GMT 6 Jan 88*

[Unattributed "article": "The Cambodian Revolution Advances Steadily"]

[Text] Over the past 9 years, under the leadership of the KPRP headed by Comrade General Secretary Heng Samrin, the Cambodian people have overcome all trials and have achieved a revival and constant development. The victory of 1984-85 dry season opened up a new, strategic turning point and further strengthened the PRK's defense capability. With its successes in the military and security fields, the revolutionary administration—from the central to the grass-roots level—has firmly been defended and consolidated. Over the past 9 years, the Cambodian countryside has completely changed. Cambodian peasants have taken up collective production by joining more than 100,000 solidarity teams to help one another in production work. In spite of the natural calamities, including a severe drought, to date, the entire country has grown nearly 2 million hectares, annual per capita grain output has reached the level of about 300 kg, and the cattle population has grown to approximately 2.5 million.

As of November 1987, the second year of the first 5-year 1986-90 plan, the volume of national industrial production had increased by 16% over 1986. More than 60 factories and enterprises and thousands of handicraft

establishments have produced numerous kinds of essential consumer goods to satisfy the people's needs. The Phnom Penh-Battambang and Phnom Penh-Kompong Som railroad line totaling 655 km in length have been restored. The cultural, educational, and public health services have also developed vigorously. At present, on the average, one in four Cambodians goes to school. Levels one through three schools have been built in nearly all villages, districts, and provinces respectively; and the entire country now boasts eight colleges and vocational middle schools. The public health service network has expanded to the grass roots units, hamlets, and villages; mother-and-child care has received due attention.

Celebrating their glorious national day, the Cambodian people are making every effort in an emulation campaign to successfully implement the 5-year 1986-90 economic plan in accordance with the spirit of the Fifth KPRP Congress resolution. Grain, rubber, and timber production and fish farming hold great promises.

Although numerous difficulties and trials still have to be overcome, one thing is clear: Today, the posture and strength of the Cambodian revolution are stronger than ever before. The success of the Cambodian revolution is a positive factor contributing to the cause of peace, stability, and cooperation in Southeast Asia. The national reconciliation policy and the five-point political solution to the Cambodia issue made public on 27 August and 8 October 1987 respectively have won the warm support of the people throughout the country and broad sections of progressive opinion the world over. Approving of this policy, Prince Sihanouk took the initiative to hold a meeting with Chairman Hun Sen in France. Their first meeting on 2 December 1987 paved the way for further dialogue and negotiations among Cambodians and opened up new prospects for a political solution to the Cambodia issue. The four-point communique issued at the end of the meeting was in line with the national reconciliation policy and the five-point solution put forth by the PRK.

In his 1988 New Year greetings, Chairman Heng Samrin noted that 1987 marked a new development in the implementation of the Fifth KPRP Congress resolution. The revolutionary armed forces have grown and become stronger in all respects. The diplomatic struggle was conducted in line with the trend of international detente which prevails in the world. The situation is developing in favor of the Cambodian revolution.

On the occasion of the PRK's ninth national day, our people salute the achievements of the Cambodian people and salute the ever consolidating and developing militant solidarity and comprehensive cooperation between Vietnam and Cambodia and among Vietnam, Cambodia, and Laos. Our people wish the fraternal Cambodian people many more and greater achievements.



**PRK's Achievements Noted**

*BK061329 Hanoi VNA in English 0558 GMT  
5 Jan 88*

["Kampuchea on the Path Toward Socialism"—VNA heading]

[Text] Hanoi VNA Jan; 5—In the past nine years, the People's Republic of Kampuchea, on the strength of the national unity and support from the fraternal socialist and friendly countries the world over, has been firmly advancing on its chosen path and have achieved many great achievements in all fields, political, economic, social, educational, health care, etc. Right after the country's liberation, the land left uncultivated under the genocidal Pol Pot regime was returned to the farmers who have grouped themselves in more than 9,000 "solidarity production groups." Of the total 1,900,000 ha [hectares] of ricefield now as against only 1,300,000 ha in 1979, 1,500,000 ha, or 80 percent of the yearly plan, have been put under cultivation despite a long spell of dryness in the last monsoon. Intensive farming of the high-yielding rice strains produced by various seed centres has been widely practised especially in the current dry season. To make up for the food shortage, the farmers have planted some 48,000 ha with subsidiary food crops. A number of irrigation projects, medium or small, were newly built or restored, including the "Kompong Sne" dam in Prey Veng Province capable of watering more than 6,000 ha of rice fields in both the rainy and dry seasons, the "Tuk Thla" dam in Kandal Province which can irrigate 8,200 ha, and two others at Phdau Chum in Kompong Cham and O Krang Ambel in Kompong Speu Province, each capable of watering 4,000 ha. In industry, some 60 establishments have been restored, including a textile factory in Kompong Cham Province, the phosphate fertilizer factory at Touk Meas in Kampot Province and the "Duon Teav" jute-bag factory in Battambang Province. In 1987 alone, Kampuchea turned out 25,000 tons of crepe rubber, 157,440 cubic meters of timber. In this 1987-1988 school year, there are 1,955,150 general education pupils, an increase of 255,638 pupils over the last school-year. More than 84 percent of the illiterates registered after liberation are now able to read and write. Many of them are attending follow-up classes. Pre-school education now has more than 600 kindergartens. At present Kampuchea counts 1,562 health care establishments with 18,400 beds as against only 605 with 7,500 beds in 1979. 60 percent of the working force are women who are also actively engaged in social activities. Those achievements would have been much greater had it not been for the constant sabotage activities of the Pol Pot remnants and other reactionary forces who receive active assistance from China, the United States and other forces hostile to the Kampuchean revolution. Prompted by its goodwill to settle the Kampuchea problem and other issues in Southeast Asia by peaceful means and its desire to rebuild the country in peace, the People's Republic of Kampuchea has announced the national reconciliation policy and put forward a most comprehensive and equitable proposal

on a solution to the Kampuchean conflict. The recent meeting between Chairman Hun Sen and Prince Sihanouk in Paris represents an important success for the national reconciliation policy and a new step toward breaking the nine-year-old stalemate.

**NHAN DAN Carries Editorial**

*BK070839 Hanoi VNA in English 0628 GMT  
7 Jan 88*

[Text] Hanoi VNA Jan 7—Marking the 9th National Day of the People's Republic of Kampuchea today NHAN DAN editorially praises the brilliant achievements in all fields of the fraternal Kampuchean people over the past nine years.

The paper says:

"Over the past nine years, the Kampuchean people have made marvellous progress in their revival. The administration at both central and local levels has unceasingly been consolidated and has firmly defended the revolutionary gains. In spite of natural calamities and the enemy's sabotage activities, they have obtained inspiring achievements in restoring the national economy step by step. So far, rice acreage throughout the country has reached two million hectares. More than 60 factories and enterprises and thousands of handicraft workshops producing consumer goods have been reactivated. Kampuchea has also made noticeable achievements in education, public health and culture. The number of general school students has reached 1.8 million, higher than any year under the old regime. Militarily speaking, the Kampuchean people with their resounding victories in the 1984-85 dry season heavily defeated the enemy's strategic scheme of reversing the Kampuchean situation. The annual partial withdrawals of Vietnamese army volunteers from Kampuchea and their total pullout in 1990 shows that the situation there is stabilizing with every passing day."

The paper goes on:

"On the international arena, with its foreign policy of peace, friendship and cooperation, the prestige of the People's Republic of Kampuchea has been constantly raised. The People's Republic of Kampuchea, together with the Socialist Republic of Vietnam and the Lao People's Democratic Republic, has put forth one peace initiative after another for solving regional issues, which have won sympathy and support from progressive public opinion in the world.

"The People's Republic of Kampuchea made public the policy of national reconciliation on August 27, 1987 and the five-point political solution on October 8, 1987 with the aim of achieving a breakthrough for the Kampuchean issue over the past nine years. The meeting in Paris between Hun Sen and Sihanouk and the four-point joint communique on Dec. 4, 1987 constituted initial successes of the policy of national reconciliation and the

five-point stance of the People's Republic of Kampuchea, ushering in a process of peaceful solution to the Kampuchean issues suitable to the common trend. The result of the meeting has confirmed the necessity for the Kampuchean issue to be solved by the Kampuchean people themselves."

"The Vietnamese people highly rejoice at the great successes of the People's Republic of Kampuchea over the past nine years particularly the important changes brought about in 1987.

"We note with joy that the special Vietnamese-Kampuchean relations have developed more and more satisfactorily. In the protracted struggle against their common enemy and in their national construction, the peoples of our two countries have always been bound to each other sharing weal and woe and giving each other generous and effective assistance. The Vietnamese people have done and will do their utmost to constantly increase and strengthen the militant solidarity and all-round cooperation between Vietnam and Kampuchea as well as among Vietnam, Laos and Kampuchea," the paper says in conclusion.

**Assembly Deputy Interviewed on Economic Laws**  
*BK031545 Hanoi Domestic Service in Vietnamese*  
1100 GMT 25 Dec 87

[Radio correspondent's interview with lawyer Ngo Ba Thanh, chairman of the National Assembly Judiciary Committee; date not given—recorded]

[Text] [Correspondent] Dear Comrade, we have been informed that according to its work agenda, the current National Assembly session will consider four codes of law, including three economic codes. Would you then, please, Comrade, in your capacity as chairman of the National Assembly Judiciary Committee, analyze the significance of this event?

[Ngo Ba Thanh] To improve the state's managerial efficiency and enhance the National Assembly's role and position, and at the same time, to strengthen the socialist legal system and carry out social management by law in accordance with the resolution of our party's sixth congress, the Eighth National Assembly, in strict execution of its functions, duties, and authorities as provided for under the Constitution, has has proceeded, we can say, in a vigorous manner with its legislative work in its second session. Here, it can be truly said that this is the first time the National Assembly has devoted so much effort to law making at a single session. It will discuss and approve three codes of economic law that mark a renovation in economic thinking, thus ushering in a period for strengthening the economic legislation work of our state's highest organ of power in order strongly to bring into play the role and effect—and we may say, the efficacy—of the instrument of law in carrying out socio-economic management and renovating the economic mechanism.

Well, as has been announced in the press, apart from three economic drafts—namely those of the agrarian law, the law on foreign investments, and the law on export-import duties for commercial goods—the National Assembly will also at this session consider and give its views on a bill in the judicial field—namely the draft of the law on penal procedures; and following this session, this draft will be made available for public discussion. On this occasion, I also want to say further that the Council of State has recently adopted a regulation on the organization of lawyers; and this is also aimed at perfecting our legal system in this area. And we feel very pleased with the urgent pace of law making at present.

[Correspondent] Yes, thank you, Comrade. Dear Comrade, a year has elapsed since the draft of the agrarian law was made public for discussion by the entire people; and it will receive official approval according to the agenda of the current National Assembly session. Comrade, would you then, explain the process of making this law and its significance?

[Ngo Ba Thanh] The agrarian law is based on the 1980 Constitution. At its first session, the Eighth National Assembly adopted a resolution entrusting its Judiciary Committee and the Council of Ministers with the task of revising the agrarian law and making it public for discussion by the entire people. The draft agrarian law was made public in August 1987 for the people to contribute their views. Well, many symposiums have been held, and the people have made numerous and extremely rich suggestions. And finally, the Council of Ministers and the National Assembly Judiciary Committee have prepared a new draft of the agrarian law and presented it to the National Assembly at this session.

Basically, the agrarian law concretizes the Constitution's stipulations about the people's collective ownership over lands and about the line and policies of our party and state regarding land management and utilization with the aim of protecting the people's collective ownership over lands and guaranteeing the state's unified management in accordance with general programs and plans. The agrarian law also lays down stipulations for protecting the legitimate interests of land users, thus making the people, first of all peasants, feel at ease and enthusiastic in utilizing lands, contribute to step by step advancing agriculture and forestry to large-scale production, and fully exploit lands to the best of their ability to turn out products in great quantities for society.

It is worthy of note that the draft law also defines the obligations and interests of land users as an institution of agrarian law. This is established for the first time to ensure correctness in the relationship between the state and land users and, at the same time, to define the legal obligations of both parties with the aim of guaranteeing scrupulous observance of agrarian law. And naturally, since the law only establishes the major principles, additional documents will subsequently be drawn up to

concretize the remaining issues. Thus, in our opinion, the consideration and approval of the agrarian law by the National Assembly at this session will be a major political event of the country that meets the people's aspirations and the requirements for social management and economic development in both the short and long terms. [Correspondent] Yes, thank you, Comrade. Dear Comrade, the agenda of this National Assembly session indicates that the code of criminal procedure bill will be discussed and presented for all the people to give their views. I would like to ask you to tell us about the spirit and fundamental significance of this code.

[Ngo Ba Thanh] It is true that besides the three draft bills on economic law, in this National Assembly session we will examine and give our views on this draft code of criminal procedure. It can be said that this code should be promulgated for the following main reasons: First, everyone knows that the criminal code was promulgated two years ago or more. Now, it is clearly high time to promulgate the code of criminal procedures in order to ensure the implementation of the criminal code.

Second, we should systematize and unify legal procedures in a code in order to ensure the struggle against, prevention, and control of crimes, and thoroughly to understand the requirements of renovation and democratization, and the lesson of using the people as a base, which the sixth Party Congress set forth. Our current legal procedures cannot meet these requirements.

Third, generally speaking, as regards the current documents on criminal procedures, it should be said that the people can hardly understand them. As a result, the people's ability to use the law to protect their benefits is limited. There must now be a code to overcome this shortcoming. We think that even though the code of criminal procedures is only presented to the National Assembly for comments this time, the fundamental point is that in the spirit of using the people as a base—that is, the people must know, discuss, work on, and control it, and thus participate all along in the legislation process—the draft code will certainly get the people's interest and support. We will struggle to have this code ratified in 1988.

[Correspondent] Thank you, Comrade. Besides the various codes of law that you have just presented, can you elucidate some points about the foreign investment law and the export-import law, which will be discussed in this National Assembly according to its agenda?

[Ngo Ba Thanh] It should be said that the foreign public has paid particular attention to, and closely watched, these two laws. At the same time, these laws bear a direct impact on the development of our economy. The line of intensifying cooperation and mutual aid among fraternal socialist countries according to the international principle of socialism while securing economic relations with other countries on the basis of respecting Vietnam's independence and sovereignty, and of equality and

mutual benefit has been specified—as we all know—in the party's documents and the Constitution. That our state is advocating the policy of promulgating the investment law at this time is the continued institutionalization of that line in our country's new stage of development.

Realizing the importance and meaning of the foreign investment law, responsible agencies under the guidance of the Council of Ministers have concentrated a great deal of effort on better formulating this law. It can be said that for nearly three years or so, many sectors, localities, and economic organizations throughout the country as well as various countries in the world have been consulted for their views and experiences. The Judiciary, Economic, Planning, Budgetary, and Foreign Relations committees of the National Assembly have coordinated closely with the Drafting Agency in studying and verifying this draft bill. Before the various National Assembly meetings, the draft bill on foreign investment was also sent to localities for the National Assembly deputies to study, discuss, and present their views.

After receiving guidance from the Council of State, the National Assembly Drafting and Judiciary committees have moved on to a further stage of completing a new draft for presentation as it is now for the National Assembly to examine and ratify. Our Judiciary Committee is convinced that the foreign investment law will bring into play its role of serving as a legal base for ensuring the effective implementation of our party and state's foreign economic lines, will help build and develop the country's economy, and will simultaneously meet the aspirations of foreign organizations and individuals wishing to invest in Vietnam to do business of mutual benefits, and respond to the sentiments of our overseas Vietnamese compatriots who want to invest in national construction.

[Correspondent] Thank you, Comrade. How about the export-import tax law?

[Ngo Ba Thanh] As for the export-import tax law on state store commodities, implementing the resolutions of the sixth party congress and the party Central Committee's second plenum on the need to promulgate a tax policy on exports and imports, the Council of Ministers also drafted a tax law on exported and imported state store commodities in order to carry out the institutionalization of foreign economic lines and management control of our country's export-import activities with foreign countries. It is very necessary to promulgate such a law at this juncture. This law is aimed at intensifying the managerial control of export-import operations according to law. This is the first time we have had such a law concerning this field which will positively help expand and enhance the foreign economic results of the state; shape up a rational export-import structure; immediately implement the central socioeconomic tasks of the 1986-90 plan—especially the targeted program for exports; and protect domestic production; encourage the



import of raw materials, spare parts, and equipment; and limit the import of luxury consumer goods and other goods that can be produced domestically. As a result, one of the objectives in promulgating the export-import tax law is the creation of a source of revenue for the state budget. In this connection, it must be said that the question of regulating the relations between the central and local budgets is of very great significance. This is largely why the discussion of this law will be very animated at this National Assembly session. This law will have a practical effect on stimulating the production of exports and the import of those goods of practical use to production and consumers.

[Correspondent] Thank you, Comrade. So, in this National Assembly session, four bills will be discussed. Does it imply a renovation trait with respect to our National Assembly's behavior toward legislation?

[Ngo Ba Thanh] Yes, it is rightly so. Carrying renovation in the legislative task is aimed at fulfilling the duty of administering the country by law, which the sixth Party Congress set forth. This eighth National Assembly has reflected the guiding spirit of General Secretary Nguyen Van Linh's opening speech at the first meeting of the eighth National Assembly, which said, in general: Our National Assembly will focus more of its attention on legislation. The comrade general secretary further said: It is time that, along with renovating our economic thinking, we should renew our judiciary ideas, plan legislation, and determine a more rapid legislative process in order to overcome the prolonged sluggishness of formalism and bureaucratism in the country's very highest organ of authority. The National Assembly must be the most exemplary agency of our country in terms of effectiveness, power, and true nature of socialist democracy.

Through its realistic experiences, the National Assembly's Judiciary Committee has seen more clearly a significant issue that we have already presented before the National Assembly. Once the legislation process has been democratized, the bills presented to the National Assembly for examination and passage will manifest collective intelligence and reflect the aspirations of many strata of the people. Then it will be easier to transform laws into realistic everyday life activities of large segments of the masses; to implement correctly the motto of letting the people know, discuss, work, and control; and to understand thoroughly the lesson of using the people as a base.

[Correspondent] Thank you, Comrade.

**Oil, Gas Enterprise Overfulfills Annual Plan**  
*BK220950 Hanoi VNA in English 0706 GMT*  
22 Dec 87

[Text] Hanoi VNA December 22—The Joint Vietnam-USSR Oil and Gas Enterprise has fulfilled its 1987 plan 13 days ahead of schedule.

On Dec. 17-18, the enterprise's council convened its 9th session in Vung Tau town (the Vung Tau-Con Dao Special Zone) to review the enterprise's work in 1987 and ratify its production quotas for 1988.

In 1988, with assistance from the Soviet Union, cadres and workers the enterprise will strive to increase crude oil production six-fold over 1987.

A workshop for refining 20,000 tons of crude oil year has been built in Dong Nai Province, east of Ho Chi Minh City. On Dec. 19, the workshop test-refined 100 tons of crude oil.

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